

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

December 17, 2018 - 10:07 a.m.  
Concord, New Hampshire

NHPUC 28DEC18pm2:31

RE: DE 17-136  
ELECTRIC AND GAS UTILITIES:  
2018-2020 New Hampshire Statewide  
Energy Efficiency Plan.

**PRESENT:** Chairman Martin P. Honigberg, Presiding  
Commissioner Kathryn M. Bailey  
Commissioner Michael S. Giaimo

Sandy Deno, Clerk

**APPEARANCES:** Reptg. Public Service of New Hampshire  
d/b/a Eversource Energy:  
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Reptg. Unitil Energy Systems, Inc. and  
Northern Utilities, Inc.:  
Patrick H. Taylor, Esq.

Reptg. Liberty Utilities (Granite State  
Electric) Corp. and Liberty Utilities  
(EnergyNorth Natural Gas) Corp.:  
Michael J. Sheehan, Esq.

Reptg. New Hampshire Electric  
Cooperative:  
Mark W. Dean, Esq.

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

**CERTIFIED  
ORIGINAL TRANSCRIPT**

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**Reptg. Acadia Center:**  
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James Cunningham, Jr., Electric Div.  
Jay Dudley, Electric Division  
Elizabeth Nixon, Sustainable Energy

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                                   **CINDY CARROLL**  
                                   **JEFFREY LOITER**  
                                   **LESZEK STACHOW**

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                                   **MADELEINE MINEAU**  
                                   **ELIZABETH R. NIXON**  
                                   **JAMES J. CUNNINGHAM, JR.**

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                                 **KAREN M. ASBURY**  
                                 **HEATHER M. TEBBETTS**  
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# **E X H I B I T S**

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10	2019 New Hampshire Statewide Energy Efficiency Plan - 2019 Update (09-14-18)	<i>premarked</i>
11	Direct Testimony of Roger D. Colton, with attachments	<i>premarked</i>
12	Direct Testimony of Jeffrey Loiter, with attachments	<i>premarked</i>
13	Direct Testimony of James J. Cunningham, Jr., with attachments	<i>premarked</i>
14	Direct Testimony of Elizabeth R. Nixon, with attachments	<i>premarked</i>
15	Direct Testimony of Leszek Stachow, with attachments	<i>premarked</i>
16	Testimony of Madeleine Mineau	<i>premarked</i>
17	Direct Testimony of Ellen Hawes, with attachments	<i>premarked</i>
18	Settlement Agreement, including cover letter, Agreement, and attachments	<i>premarked</i>
19	Revised attachments of SBC calculation, consisting of Attachments E3, F3, G3 & H3	<i>premarked</i>
20	Revised Statewide Attachments and Cost Effectiveness Attachments B, C, D, E1, F1, G1, H1, I1 & J1	<i>premarked</i>

**P R O C E E D I N G**

CHAIRMAN HONIGBERG: Good morning, everyone. We are here today in Docket 17-136, which is the EERS docket. We're here to talk about the Plan Update for year one of the 3-Year Plan, for year two, the first Plan Update.

We talked about the terminology before we came down here and I still messed it up.

Before we do anything else, let's take appearances.

MR. FOSSUM: Good morning, Commissioners. Matthew Fossum, here for Public Service Company of New Hampshire doing business as Eversource Energy.

MR. TAYLOR: Good morning, Commissioners. Patrick Taylor, on behalf of Unitil Energy Systems and Northern Utilities, Inc. With me today are Cindy Carroll, Karen Asbury, Tom Palma, and Mary Downs.

MR. SHEEHAN: Good morning, Commissioners. Mike Sheehan, for Liberty Utilities (Granite State Electric) and Liberty

1 Utilities (EnergyNorth Natural Gas).

2 MR. DEAN: Good morning. Mark Dean,  
3 on behalf of New Hampshire Electric  
4 Cooperative.

5 MR. BURKE: Good morning,  
6 Commissioners. Raymond Burke, from New  
7 Hampshire Legal Assistance, representing The  
8 Way Home.

9 MS. OHLER: Good morning,  
10 Commissioners. Rebecca Ohler, on behalf of the  
11 New Hampshire Department of Environmental  
12 Services.

13 MS. MINEAU: Good morning. Madeleine  
14 Mineau, for NHSEA, doing business as Clean  
15 Energy New Hampshire.

16 MS. HAWES: Good morning. Ellen  
17 Hawes, for Acadia Center.

18 MS. BIRCHARD: And good morning.  
19 Melissa Birchard, for Conservation Law  
20 Foundation.

21 MR. KREIS: Good morning. D. Maurice  
22 Kreis, doing business as Don Kreis. I am the  
23 Consumer Advocate here on behalf of the always  
24 underappreciated residential ratepayers of all

1 of the utilities that are gathered here today.

2 With me today is the OCA's A team,  
3 our consultant and witness, Jeffrey Loiter, and  
4 to his left is Brian Buckley, our Staff  
5 Attorney.

6 MR. DEXTER: Good morning. Paul  
7 Dexter, on behalf of the Commission Staff.

8 CHAIRMAN HONIGBERG: All right. Mr.  
9 Dexter, how are we going to proceed this  
10 morning?

11 MR. DEXTER: I think I'm going to  
12 turn it over to Attorney Fossum, and let him  
13 take it from there.

14 CHAIRMAN HONIGBERG: Mr. Fossum.

15 MR. FOSSUM: Thank you. Just  
16 basically as one preliminary matter, we had  
17 wanted to go down a list of exhibits that we  
18 have agreed to be premarked for identification.  
19 And then after that we were going to move onto  
20 testimony.

21 CHAIRMAN HONIGBERG: All right. I  
22 have a list of premarked exhibits in front of  
23 me. Is that the list we are talking about?

24 MR. FOSSUM: I believe so. That



1           certainly looks like it.

2                   If it needs to be, I can read that  
3           into the record, or we can rely on the numbers  
4           that are in front of you.

5                   CHAIRMAN HONIGBERG: All right. We  
6           don't need to read it into the record.

7                           (The documents, as noted in the  
8                           Pre-Marked Exhibit List for  
9                           Hearing, were premarked as  
10                   **Exhibits 10** through **20** for  
11                   identification.)

12                   MR. FOSSUM: So be it. Then,  
13           initially, we have a panel to go up and discuss  
14           the Plan that has been filed, as well as the  
15           Settlement Agreement that's before you for this  
16           morning.

17                   And I don't have anything else,  
18           unless anybody else does.

19                   CHAIRMAN HONIGBERG: All right.  
20           Then, if there are no preliminary matters, then  
21           the panel witnesses should take their places.

22                   Mr. Patnaude, would you swear the  
23           witnesses in please.

24                           (Whereupon **Kate Peters,**

[WITNESSES: Peters|Carroll|Loiter|Stachow]

1                   **Cindy Carroll, Jeffrey Loiter,**  
2                   and **Leszek Stachow** were duly  
3                   sworn by the Court Reporter.)

4                   CHAIRMAN HONIGBERG: Mr. Fossum.

5                   MR. FOSSUM: Thank you. I guess I'll  
6                   just -- I will initially just qualify our  
7                   witnesses, allow the others to qualify theirs,  
8                   and then we'll proceed with the examination.

9                   **KATE PETERS, SWORN**

10                  **CINDY CARROLL, SWORN**

11                  **JEFFREY LOITER, SWORN**

12                  **LESZEK STACHOW, SWORN**

13                  **DIRECT EXAMINATION**

14 BY MR. FOSSUM:

15 Q       So, I'll start with Ms. Peters. Could you  
16       please state your name, your place of  
17       employment, and your responsibilities for the  
18       record.

19 A       (Peters) Good morning. I'm Kate Peters. I  
20       work for Eversource, where I'm a Supervisor for  
21       Regulatory and Planning for the energy  
22       efficiency programs in New Hampshire.

23 Q       And, Ms. Carroll, the same questions to you.

24 A       (Carroll) Cindy Carroll. I am employed Unitil

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Service Corp. And I'm Director of Customer  
2 Energy Solutions.

3 MR. FOSSUM: Thank you.

4 CHAIRMAN HONIGBERG: Mr. Kreis.

5 MR. KREIS: Mr. Buckley has the honor  
6 of conducting Mr. Loiter's direct exam.

7 CHAIRMAN HONIGBERG: Oh. As you  
8 said, the "A team". Mr. Buckley.

9 MR. BUCKLEY: Thank you.

10 BY MR. BUCKLEY:

11 Q Mr. Loiter, can you please state your name and  
12 business address for the record.

13 A (Loiter) My name is Jeffrey Loiter, and I'll  
14 spell that, L-o-i-t-e-r. My business address  
15 is 10600 Route 116, Suite 3, in Hinesburg,  
16 Vermont.

17 Q Can you please provide a summary of your  
18 professional background and education?

19 A (Loiter) I am a partner at Optimal Energy.  
20 I've been a partner for four years. I've been  
21 employed by Optimal Energy for 12 years. In  
22 the area of energy efficiency, I have training  
23 in both technical areas, as well as economics.  
24 And I have been serving as an expert witness in

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 several states and for several entities in  
2 approaching two dozen dockets over the last six  
3 years.

4 Q And did you prepare testimony that was filed in  
5 this proceeding?

6 A (Loiter) Yes.

7 Q And that testimony is marked as "Exhibit 12"?

8 A (Loiter) Yes.

9 Q And do you have any corrections to make to that  
10 testimony today?

11 A (Loiter) No.

12 Q And if I were to ask you the same questions  
13 presented in your testimony, would your answers  
14 remain the same?

15 A (Loiter) Yes.

16 Q And do you adopt your testimony here today  
17 before the Commission?

18 A (Loiter) Yes, I do.

19 MR. BUCKLEY: Thank you.

20 CHAIRMAN HONIGBERG: Mr. Dexter.

21 MR. DEXTER: Yes.

22 BY MR. DEXTER:

23 Q Would the last witness on the panel please  
24 identify himself for the record.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 A (Stachow) My name is Leszek Stachow. I'm an  
2 Analyst with the Public Utilities Commission of  
3 the Electrical Division.

4 Q Mr. Stachow, did you prepare prefiled testimony  
5 in this proceeding?

6 A (Stachow) I did.

7 Q Do you have that before you?

8 A (Stachow) I do.

9 Q And for the record, that's been marked as  
10 "Exhibit 15" in this case, is that right?

11 A (Stachow) Correct.

12 Q Do you have any corrections or changes that you  
13 would like to make to the testimony at this  
14 time?

15 A (Stachow) None.

16 Q And if I were to ask you the questions  
17 contained in your prefiled testimony, would  
18 your answers be the same as those contained  
19 therein?

20 A (Stachow) Correct.

21 Q And you adopt those answers as -- do you adopt  
22 those answers as your sworn testimony in this  
23 proceeding?

24 A (Stachow) I do.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Q And, Mr. Stachow, were you involved in the  
2 proceeding and the settlement talks that led up  
3 to the Settlement that will be presented  
4 shortly?

5 A (Stachow) I am pleased to say I was.

6 Q And are you in a position to respond to  
7 questions that may come from the Bench about  
8 the EE -- I'm sorry, the energy efficiency  
9 programs?

10 A (Stachow) To the best of my ability.

11 Q And are you prepared to answer questions about  
12 the Settlement that was reached?

13 A (Stachow) Once again, to the best of my  
14 ability.

15 MR. DEXTER: Thank you. That's all I  
16 have.

17 CHAIRMAN HONIGBERG: Who's going to  
18 walk us through the Settlement or the Plan and  
19 the Settlement? Is that you, Mr. Fossum?

20 MR. FOSSUM: I believe so, yes.

21 BY MR. FOSSUM:

22 Q But backing up just a hair, Ms. Peters and  
23 Ms. Carroll, did you both participate in the  
24 formulation and drafting of the 2019 Update

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Plan that was filed back on September 14th in  
2 this proceeding?

3 A (Peters) Yes, I did.

4 A (Carroll) Yes.

5 Q And that is the Plan that's been premarked for  
6 identification as "Exhibit 10", is that  
7 correct?

8 A (Peters) Yes.

9 A (Carroll) Yes.

10 Q And you're both familiar with its terms and  
11 you're familiar with the programs that are  
12 described in that Plan?

13 A (Peters) Yes.

14 A (Carroll) Yes.

15 Q And you're prepared to discuss those programs,  
16 the Plan, and the information therein this  
17 morning?

18 A (Peters) Yes.

19 A (Carroll) Yes.

20 Q And similarly, did you also both participate in  
21 the negotiations leading to the Settlement  
22 Agreement that is being presented this morning?

23 A (Peters) Yes.

24 A (Carroll) Yes.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Q And that's the -- the Settlement Agreement has  
2 been premarked for identification as "Exhibit  
3 18", is that correct?

4 A (Peters) Yes, it is.

5 Q And you're both familiar with the terms of that  
6 Agreement and prepared to speak to that  
7 Agreement this morning?

8 A (Peters) Yes.

9 A (Carroll) Yes.

10 Q And are you also prepared to answer any  
11 questions that the Commissioners may have with  
12 regards to that Settlement?

13 A (Peters) Yes.

14 A (Carroll) Yes.

15 Q With that said, Ms. Peters or Ms. Carroll, as  
16 may be most appropriate, could you please  
17 describe what is contained in the Settlement  
18 and what the terms of this Agreement are for  
19 the Commissioners.

20 A (Peters) Yes. I'll start.

21 CHAIRMAN HONIGBERG: Off the record  
22 for a minute.

23 *[Brief off-the-record discussion*  
24 *ensued.]*

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 CHAIRMAN HONIGBERG: We're back on  
2 the record.

3 **BY THE WITNESS:**

4 A (Peters) On Page 3 of the Settlement, Section A  
5 begins with the 2019 Update Plan as filed. And  
6 the 2019 Update serves to continue and to  
7 update the 2018 through 2020 Statewide Energy  
8 Efficiency Plan that was approved in this  
9 docket last year in Order Number 26,095. The  
10 2018 to 2020 Plan sets forth a suite of energy  
11 efficiency programs managed by the utilities  
12 and known statewide as the "NHSaves Program".

13 2019 will be the second year of New  
14 Hampshire's first 3-Year Plan under the Energy  
15 Efficiency Resource Standard. The 2019 Update  
16 makes adjustments and revisions to the  
17 previously approved 3-Year Plan. The base  
18 structure of the program offerings remains the  
19 same. With a suite of program offerings for  
20 the commercial and industrial customers, for  
21 municipal customers, and for residential  
22 customers, including income eligible customers.  
23 Also included are financing offerings, customer  
24 education and marketing of the programs.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1           The 2019 Update is designed to meet the  
2           EERS energy savings goals of 1 percent of 2014  
3           delivery sales for electric and 0.75 percent of  
4           2014 delivery sales for natural gas.

5           As in the 3-Year Plan, funding comes from  
6           the System Benefits Charge, from the Regional  
7           Greenhouse Gas Emissions funds, from  
8           participation in the ISO-New England Forward  
9           Capacity Market, and, for the natural gas  
10          programs, from the Local Distribution  
11          Adjustment Charge.

12          Seventeen percent of the total budget is  
13          directed to the income eligible program, and  
14          the remaining funds are split between the  
15          commercial and residential sectors based on  
16          their respective usage. The Performance  
17          Incentive target is 5.5 percent.

18          Notable program adjustments and additions  
19          for the 2019 Update include an e-rebate  
20          platform to make rebates for the ENERGY STAR  
21          appliances more accessible to customers; an  
22          incentive structure for the ENERGY STAR  
23          Certified Manufactured Homes; exploration of a  
24          distributor point-of-sale approach for

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 commercial lighting incentives; new on-bill  
2 financing offerings for the natural gas  
3 companies for both residential and commercial  
4 customers; and new or enhanced on-bill  
5 financing for electric company commercial  
6 customers.

7 The 2019 Update also includes some updates  
8 to the program cost-effectiveness tests, based  
9 on the recently completed 2018 New England  
10 Avoided Energy Supply Components Study, as well  
11 as updates to the Lost Base Revenue  
12 calculations. We'll discuss both of these  
13 topics further as we go through the Settlement.

14 The utilities filed the 2019 Update on  
15 September 14th, and the Parties have  
16 subsequently gone through the process of  
17 discovery and settlement discussions. The  
18 global Settlement was filed on Thursday,  
19 December 13th. And the Settlement contains a  
20 number of additional adjustments and items, and  
21 we'll now walk through those.

22 Section B of the Settlement Agreement is  
23 related to the 2019 budget levels. When we put  
24 together the Update filing, the utilities

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 estimated that we would be able to achieve the  
2 savings with a lower amount of funding than  
3 originally estimated in the 3-Year Plan.  
4 Therefore, the 2019 Update as submitted  
5 incorporated approximately \$2.25 million less  
6 of SBC funding than was found in the original  
7 3-Year Plan for 2019.

8 To accommodate additional energy  
9 efficiency work, the Settling Parties have  
10 agreed that the funding for 2019 should be  
11 revised to an amount closer to the prior  
12 forecast.

13 When the 3-Year Plan was filed, the SBC  
14 rate used to estimate the budgets for 2019 was  
15 0.00373. Applying that rate of 0.00373 to the  
16 updated 2019 forecasted delivery sales results  
17 in an addition of \$2,253,103 in funding when  
18 compared to the September 14th version of the  
19 Update.

20 There's a chart on Page 4 of the  
21 Settlement that outlines that funding and how  
22 it will be utilized. And I'll walk through  
23 that briefly. You can see the second column  
24 from the right, the "Total", the

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1       \$2.253 million. So, the centerpiece is the  
2       breakout of that additional funding. Seventeen  
3       (17) percent is going to the Home Energy  
4       Assistance Program, the income eligible  
5       programs.

6               \$200,000 is going to the education budget.  
7       And this is for additional funds for training  
8       and ramp-up costs for the low-income programs.

9               Next, 343,765 are going to a demand  
10       reduction pilot for large business customers.  
11       Eversource and Unitil are committing to  
12       performing this demand initiative, which is  
13       intended to test the potential for active  
14       demand response strategies within the  
15       commercial and industrial sector. The  
16       utilities and the stakeholders have been  
17       reviewing and discussing work on demand  
18       reduction in other states in the region, with  
19       an intent of identifying options that may work  
20       for New Hampshire.

21               Given the information available currently,  
22       the success of demonstrations in other states,  
23       and an existing vendor network for Eversource  
24       and Unitil, all agreed that a pilot initiative

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 should move forward in New Hampshire in 2019.

2 Eversource and Unitil will work with  
3 commercial and industrial customers to  
4 implement demand response projects prior to and  
5 during the Summer of 2019. Eversource and  
6 Unitil will be making a filing early in the  
7 year, in 2019, with additional detail for the  
8 Commission and others related to this pilot.

9 After the funds for the pilot, any  
10 funds -- any additional funds are budgeted to  
11 the residential and commercial programs in the  
12 same manner as other available funding. So  
13 that, on the chart on Page 4, is the "495,668"  
14 for commercial programs and the "733,151" for  
15 residential programs. The performance  
16 incentive is 5.5 percent.

17 In Section C, in addition to the  
18 17 percent of the budget that is directed  
19 towards the income eligible programs, the  
20 Parties have also discussed testimony of The  
21 Way Home. And we have agreed that, starting in  
22 2018, any underspent funds in the income  
23 eligible program will be carried over from one  
24 program year to the next. Any carryforward of

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 unexpended funds will be assigned to the income  
2 eligible program in the prior year, in addition  
3 to the 17 percent or other agreed upon  
4 program -- I'm sorry -- agreed upon program  
5 budget parameters in that future plan.

6 Section D of the Settlement is related to  
7 the "Lost Base Revenue and Performance  
8 Incentive". The Lost Base Revenue Working  
9 Group went through a lengthy review and  
10 discussion of the LBR calculation during the  
11 course of 2018, and resulting from that work is  
12 a report which outlines a new calculation for  
13 LBR, which includes separate components for kW  
14 and kWh. That calculation is specified on  
15 Page 7, and additional detail can be found in  
16 the Working Group Report. The Parties have  
17 also agreed on some additional reporting for  
18 transparency described on Page 7.

19 In addition, the scope of the Large  
20 Business Energy Solutions Program evaluation,  
21 which is planned for 2019, will include an  
22 analysis of customer peak and end-use load  
23 shapes for use in calculating the LBR.

24 Regarding the Performance Incentive, the

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Performance Incentive in the 2019 Update will  
2 remain as currently described. The Performance  
3 Incentive Working Group will continue its work  
4 into 2019, with the goals completing by the end  
5 of June. The utilities will consider for  
6 inclusion in the 2020 Plan Update the results  
7 of that Working Group, which will include a  
8 metric related to peak demand reduction.

9 Section E is Eversource's Customer  
10 Engagement Platform. Eversource will continue  
11 to track its marketing efforts related to the  
12 Customer Engagement Platform, and will provide  
13 updates of its marketing campaigns at quarterly  
14 meetings as appropriate.

15 In 2019, Eversource will track Customer  
16 Engagement Platform new users by month, with a  
17 goal of increasing the number of new users by  
18 50 percent over 2018 users -- new users. And  
19 in 2019, Eversource will begin to track and  
20 report which customers use CEP and then move  
21 forward to participate in energy efficiency  
22 program offerings.

23 The next several sections are related to  
24 updates and evolution of the working groups, as

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 well as items that were related to the planning  
2 process for the next 2021 through 20233-Year  
3 Plan.

4 Section F has a status update for each  
5 working group and some information regarding  
6 what's happening next for that working group.

7 Number (1), the Performance Incentive  
8 Working Group, we have just discussed  
9 previously, will be working to make its  
10 recommendations by June of 2019.

11 The Financing and Funding Working Group  
12 had a number of meetings in 2018, and several  
13 elements identified by the working group have  
14 been incorporated into the 2019 Update. That  
15 working group will continue with quarterly  
16 meetings for updates and new information in  
17 2019.

18 The Benefit Cost Test Working Group  
19 discussed a number of the elements related to  
20 the New England Avoided Energy Supply  
21 Components Study and how those are incorporated  
22 into the 2019 Update. The Settling Parties  
23 agree that the Benefit Cost Working Group will  
24 provide input to the two currently underway NEI

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 studies, and recommendations regarding any  
2 implementation of the results of those studies  
3 to happen in the future.

4 In addition, the Benefit Cost Working  
5 Group is going to be the technical lead for two  
6 new studies that the Settling Parties have  
7 identified: The Cost-Effectiveness Test  
8 Analysis and an Energy Optimization Study. And  
9 we'll talk about those a little bit in a  
10 moment. Upon completion of these new studies  
11 and the NEI-related work, the Benefit Cost  
12 Working Group will be discontinued.

13 The Lost Base Revenue Working Group has  
14 submitted its report. The results have been  
15 incorporated into the 2019 Update. And that  
16 working group has achieved its intended goals  
17 and will be discontinued.

18 Section G, Evaluation, Measurement &  
19 Verification and the Benefit/Cost Working  
20 Group, provides more detail about the two  
21 studies that I just noted. The EM&V Working  
22 Group will provide the administrative duties,  
23 in terms of contracting for and managing  
24 vendors for the two identified studies, while

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 the Benefit/Cost Working Group will be the  
2 technical lead for stakeholder input and policy  
3 discussions.

4 The first study is a review of the  
5 cost-effectiveness test. A framework for  
6 reviewing energy efficiency cost-effectiveness  
7 testing has been established in the National  
8 Standards Practice Manual. A consultant will  
9 be charged with reviewing the application of  
10 such methods in New Hampshire. Discussions  
11 regarding the stakeholder input to the review  
12 and its findings, as well as whether and how to  
13 incorporate those findings in New Hampshire,  
14 will be undertaken in the Benefit/Cost Working  
15 Group.

16 So, this study would be a review of  
17 policies in New Hampshire and how they relate  
18 to benefit/cost testing methodologies, and then  
19 recommendations for applying those  
20 methodologies in New Hampshire in the future.  
21 A goal of the group is to have it completed by  
22 the end of the second quarter in 2019, so that  
23 the results can, to the extent reasonable, be  
24 incorporated into the Potential Study, which we

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 will discuss in a moment. The Settling Parties  
2 anticipate that the Benefit/Cost Working Group  
3 will submit a report to the Commission, which  
4 will include recommendations for incorporation  
5 of any relevant findings from the review and  
6 seek a Commission decision on the  
7 recommendation of the working group for  
8 issuance in August of 2019.

9 The second study is a study of Energy  
10 Optimization, on how energy optimization  
11 through fuel switching is treated in  
12 cost-effectiveness testing, and how the impacts  
13 of such optimization are counted towards energy  
14 savings targets. The study will be based on a  
15 literature review and secondary research of  
16 existing data and other sources of information.  
17 The discussions of the review and its findings,  
18 as well as whether and how to incorporate those  
19 findings in New Hampshire, will be undertaken,  
20 again, in the Benefit/Cost Working Group.  
21 Recommendations from the Benefit/Cost Working  
22 Group will be incorporated in the same report  
23 that we just discussed for the  
24 cost-effectiveness test, which will be

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 presented to the Commission and seek a  
2 Commission decision on those recommendations.

3 In addition to those two studies, the EM&V  
4 Working Group has already included in its  
5 Strategic Evaluation Plan an Energy Efficiency  
6 Potential Study for New Hampshire. That  
7 Potential Study is scheduled to begin in 2019.  
8 The work of the two previous studies that we  
9 just discussed may inform that Potential Study,  
10 and the EM&V Working Group will work to  
11 incorporate, to the extent feasible, input from  
12 stakeholders. And there's a goal that the  
13 Potential Study will be completed no later than  
14 the end of the first quarter of 2020, so that  
15 its results could be incorporated to the degree  
16 possible in the 2021 to 2023 Plan.

17 So, there are a lot of timelines and dates  
18 inherent in all of that work. The Settlement  
19 includes an attachment, which is a chart  
20 depicting the expected timelines. That chart  
21 also includes a number of elements related to  
22 the next two sections of the Settlement  
23 Agreement. So, I'll go through those next two  
24 sections, and then we can take a look at the

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 full chart, if that's something that would be  
2 helpful.

3 Section H relates to the "Planning Process  
4 and the Stakeholder Consultant". The Settling  
5 Parties have all acknowledged the need to  
6 establish appropriate goals for the next  
7 triennial plan covering 2021 to 2023. And a  
8 robust stakeholder process is an appropriate  
9 means for helping to establish those goals.

10 In 2019, the Commission will solicit and  
11 hire a consultant to act as the technical  
12 consultant to Staff and all other non-utility  
13 stakeholders. The stakeholder discussions will  
14 begin in the Fall of 2019, as anticipated in  
15 the December 8th settlement from last year.  
16 Those discussions will include items related to  
17 the policies relevant and applicable to the  
18 EERS; to establishing appropriate goals for the  
19 next triennium plan; the appropriate level of  
20 funding related to the next plan; and the  
21 appropriate program design and delivery models  
22 to achieve those stated goals.

23 Regarding the stakeholder consultant, an  
24 additional \$155,000, in addition to the already

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1       agreed upon \$95,000 from the previous  
2       settlement, will be budgeted for that  
3       consultant. Assuming about one-third of that  
4       total pot of money will be spent in 2019, and  
5       about two-thirds in 2020. As with the original  
6       \$95,000, these funds will come from the EM&V  
7       budget. The planning expert will continue to  
8       provide advice and assistance to the EESE  
9       Board, the EERS Committee, the Settling  
10      Parties, and other stakeholders, as requested  
11      and appropriate.

12             The Settling Parties have agreed that the  
13      proposed 2021 to 2023 Plan will be filed on or  
14      by July 1st, 2020. Recognizing the great deal  
15      of work that is before us in developing that  
16      next triennium plan by July 1st, 2020, the  
17      Settling Parties have agreed that the 2020 Plan  
18      Update, which will be happening at this time  
19      next year, should involve only limited changes.  
20      And Page 15 and the top of Page 16 of the  
21      Settlement Agreement describe the elements that  
22      would be included in the 2020 Update.

23             So, as I noted, all of those various  
24      pieces of work and elements are plotted out in

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 a chart that is attached to the Settlement  
2 Agreement, with the initial work in 2019  
3 focused around the new studies related to the  
4 National Standard Practice review of  
5 benefit/cost testing, the Energy Optimization  
6 Study, the beginning of the technical Potential  
7 Study, and the additional work happening in the  
8 Performance Incentive Working Group. That work  
9 will then inform and lead up to kind of the  
10 filing of the Benefit/Cost Working Group's  
11 recommendations to the Commission in midsummer  
12 of 2019. And then the stakeholders will move  
13 on to the stakeholder discussion related to  
14 goals and other work for the 2021 to 2023 Plan.  
15 So, all of these elements are designed to kind  
16 of build into each other to lead up to the  
17 design for the next triennium plan.

18 And as I noted, there is kind of a review  
19 and drafting process for the next 3-Year Plan  
20 that would happen in the early part of 2020,  
21 with the filing to be made by July 1 and the  
22 docket process to follow.

23 Moving ahead from the planning process,  
24 Section J of the Settlement Agreement is

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 focused on "Benefit/Cost Modeling Assumptions".  
2 As I noted in the beginning, there are a number  
3 of updates to the benefit/cost model that are  
4 related to the 2018 Avoided Energy Supply  
5 Components Study that happened in New England.  
6 It includes updating the benefit estimates for  
7 energy, for capacity, for zone-on-zone DRIPE,  
8 and for other fuel costs. In addition, that  
9 study calculated new assumptions that the  
10 Settling Parties agree will be -- are included  
11 in the 2019 Plan Update. These new assumptions  
12 are the benefits that are associated with pool  
13 transmission facilities, with intrastate oil  
14 DRIPE. And in addition, the Parties have  
15 agreed to evaluation of environmental benefits  
16 from fossil fuel savings. The Parties have  
17 determined not to include the benefit related  
18 to reliability at this time.

19 With respect to the income eligible  
20 programs, the utilities included in the 2019  
21 Update Plan an additional 10 percent adder to  
22 the calculation of program benefits that  
23 accounts for NEI specific to this customer  
24 group. This is above and beyond the 10 percent

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 NEI adder that is applicable portfolio-wide and  
2 was approved last year for the 3-Year Plan.  
3 Both this additional 10 percent adder for the  
4 low-income programs and the portfolio-wide 10  
5 percent adder will remain in place for 2019 and  
6 for the 2020 program years. The results of the  
7 cross-cutting NEI studies that are currently  
8 underway and the low-income NEI study that is  
9 currently underway will be considered for  
10 inclusion as part of the 2021 to 2023 Update.

11 Finally, there are a number of additional  
12 items that the Settling Parties have agreed to.  
13 Number (1) The utilities will provide  
14 transmission and distribution cost information  
15 during the development of the next AESC study  
16 upon request, subject to obtaining the  
17 appropriate protections for confidentiality.  
18 Number (2) The regulated electric utilities  
19 have acknowledged that there are differences in  
20 their street lighting tariffs. The utilities  
21 believe that the most appropriate venue for  
22 reviewing street lighting issues is within the  
23 context of individual rate cases. However, the  
24 utilities do agree that they will not object to

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 an investigation relating to street lights  
2 should one be requested of, and subsequently  
3 initiated by, the Commission.

4 The utilities have agreed that we will  
5 work on a summary table of incentive measures  
6 and rebates that will be available to customers  
7 under the NHSaves programs.

8 We have agreed to investigate other  
9 opportunities for demand reduction, including  
10 reviewing available information related to  
11 controllable domestic hot water measures and  
12 other measures.

13 The regulated utilities have agreed to  
14 undertake a bill impact analysis, which would  
15 include rate impacts, bill impacts and  
16 participant impacts.

17 And the utilities will work with Staff to  
18 develop a detailed summary of the Benefit/Cost  
19 Test modeling assumptions that are used in  
20 developing the 2019 Plan Update, and then again  
21 in 2020.

22 Related to non-wires alternatives, the  
23 Parties agree that the potential for non-wires  
24 alternatives is a matter that's worthy of

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1 examination in the future. This topic will not  
2 be reviewed in the context of the 2019 or 2020  
3 Plan Updates. But the Parties have identified  
4 a number of other venues where it can be  
5 discussed and additional information that can  
6 be provided on the topic.

7 That's a fairly substantial list of items.  
8 But the Settling Parties agree that the 2019  
9 Update represents positive forward momentum in  
10 achieving the goals and objectives of New  
11 Hampshire's EERS, as well as significant  
12 opportunities for participation and savings for  
13 the residents, businesses, and municipalities  
14 across New Hampshire.

15 Q Thank you. Just a couple of follow-on  
16 questions, one rather specific. Back on Page 7  
17 of the Settlement Agreement, in Section D,  
18 there is a reference in there to, about a third  
19 of the way up the page, coming from the bottom,  
20 to a "final compliance filing for the 2019  
21 Update Plan". Can you explain what that final  
22 compliance filing would consist of please?

23 A (Peters) Yes. The utilities intend to make a  
24 final compliance piling for the -- hold on --

[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 compliance filing for the 2019 Update Plan,  
2 which would be submitted no later than  
3 January 15th. That would comprise of the  
4 revised Exhibits 19 and 20 that have been  
5 presented to today; it would also include any  
6 other attachments to the 2019 Update that needs  
7 to be revised based on the Settlement Agreement  
8 and the information in it; and any updates  
9 related to the narrative of the 2019 Update.

10 So, it will essentially be a full new book for  
11 the 2019 Update Plan that incorporates all of  
12 the items that are in the Settlement Agreement.

13 Q Thank you. Ms. Peters, is it your position, is  
14 it the Company's position that this Settlement  
15 Agreement, as you have exhaustively described  
16 it this morning, is it a fair and appropriate  
17 settlement?

18 A (Peters) Yes, it is.

19 Q And do you believe it to be just and reasonable  
20 and appropriate for implementing the EERS Plan  
21 for 2019?

22 A (Peters) Yes, I do.

23 MR. FOSSUM: Thank you. I have no  
24 other questions at the moment.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 CHAIRMAN HONIGBERG: Mr. Taylor.

2 MR. TAYLOR: No questions.

3 CHAIRMAN HONIGBERG: Who else has  
4 questions for the panel? Anyone?

5 *[Show of hands.]*

6 MR. DEXTER: I do.

7 CHAIRMAN HONIGBERG: Mr. Buckley,  
8 then Mr. Dexter. Anybody else?

9 *[No verbal response.]*

10 CHAIRMAN HONIGBERG: No. Mr.  
11 Buckley, go ahead.

12 MR. BUCKLEY: I want to thank  
13 Ms. Peters for doing such a great job here. I  
14 only have a few follow-on questions, which I  
15 think I'll direct largely to Mr. Loiter, but  
16 others can feel free to chime in as well.

17 CHAIRMAN HONIGBERG: Off the record.

18 *[Brief off-the-record discussion*  
19 *ensued.]*

20 BY MR. BUCKLEY:

21 Q Mr. Loiter, Ms. Peters spoke about active  
22 demand reduction demonstrations that Eversource  
23 and Unitil are planning to pursue within the  
24 next program year. Now, I know you spoke at

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 length in your testimony about the importance  
2 of demand reduction. But can you just  
3 summarize briefly why such a demonstration  
4 might be a good thing for the residential  
5 ratepayers that we represent?

6 A (Loiter) Sure. Even though the pilot is  
7 directed at commercial customers and active  
8 demand reduction there, reducing the system  
9 peak load benefits all ratepayers in the state,  
10 because those are -- well, for two reasons.  
11 One, those are the most expensive hours to  
12 provide power, and that is the overall -- thing  
13 that will add to the overall total cost.  
14 Excuse me.

15 And the second reason is because, as I  
16 state in my testimony, New Hampshire -- each  
17 state has to pay a share of the total  
18 systemwide transmission costs in New England as  
19 part of ISO-New England. And that is  
20 apportioned based on share of peak load on a  
21 monthly basis, and on an annual basis, if I'm  
22 not mistaken.

23 To the extent that other states work to  
24 reduce their share of that, the New Hampshire

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 share of that total cost increases. And so,  
2 it's important that New Hampshire continue to  
3 control its share of the overall system peak in  
4 order to control those costs, which are borne  
5 by all ratepayers, not just the commercial  
6 sector.

7 Q And, Mr. Loiter, would it be accurate to say  
8 that those were two of the reasons why you  
9 argued in your testimony for a demand reduction  
10 metric to be included in any performance  
11 incentive that might be recommended by the  
12 Performance Incentive Working Group?

13 A (Loiter) Yes. Definitely.

14 Q And would it suffice to say that you are happy  
15 to see within this current Settlement a  
16 commitment to a demand reduction metric that  
17 will flow from the recommendations of that  
18 working group?

19 A (Loiter) Yes. Definitely. I think that's an  
20 important factor going forward.

21 Q Now, moving onto Section E of the Settlement  
22 Agreement, Ms. Peters mentioned the "Customer  
23 Engagement Platform". And there's one  
24 provision in there that I'd like for you to

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 highlight, and it's relative to an  
2 investigation by the utilities of "Green Button  
3 Connect My Data". Can you speak just briefly  
4 to what "Green Button Connect My Data" is and  
5 how it might be of value to ratepayers?

6 A (Loiter) Sure. With the advent of more  
7 sophisticated meters and billing systems,  
8 utilities have now, you know, depending on  
9 their own systems, for some time been able to  
10 provide detailed billing information to their  
11 customers through, typically, a Web portal,  
12 where a user can go on and download their  
13 usage. That's been an important first step in  
14 helping customers understand their patterns of  
15 usage. But not all customers are sophisticated  
16 enough to do that necessarily.

17 What this next step in the process would  
18 be would be to allow customers to authorize  
19 that their data go to a third party, who would  
20 be in a better position to analyze their  
21 consumption and make recommendations about how  
22 they can either reduce their total energy usage  
23 or reduce their usage during peak times,  
24 whether or not a time-of-use rate would be

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1       beneficial to them, and other information that  
2       they may not be able to do themselves. So,  
3       this is an important, you know, next step in  
4       understanding consumption patterns.

5   Q   And just to clarify, when I asked you using the  
6       word "investigation", would you agree with me  
7       that we're not talking about a formal  
8       investigation before the Commission here, but  
9       this is something of a -- that the utilities  
10      would look into this and see if it is of value  
11      and what the costs and benefits might be?

12   A   (Loiter) Yes. That's my understanding and  
13       recollection from participating in the  
14       Settlement Agreement, that the utilities  
15       understand the value of that and will consider  
16       it, subject to, of course, the technological  
17       issues that would need to be addressed.

18   Q   Now, moving onto Section G of the Settlement  
19       Agreement, where the Evaluation, Measurement &  
20       Verification and Benefit/Cost Working Groups  
21       are discussed, there's some discussion of the  
22       two additional studies that will be undertaken  
23       in 2018.

24               Now, Ms. Peters did a great job of

[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 explaining what those studies are. But I'm  
2 wondering if you could provide a little more  
3 insight as to just the -- maybe the value of  
4 those studies to ratepayers, residential  
5 ratepayers, and maybe more specifically, what  
6 trends that are occurring regionally may have  
7 influenced our recommendation relative to those  
8 studies?

9 A (Loiter) Sure. Sure. So, the two aspects of  
10 these studies, again, are (1) an assessment of  
11 how cost-effectiveness analysis is done and (2)  
12 how switches from, typically, from fossil fuels  
13 to electric uses, particularly of space  
14 heating, might be beneficial to both the system  
15 and to some of the other policy objectives that  
16 the state has. And these are related. So, the  
17 recommendation to use the National Standard  
18 Practice Manual is a recognition that the  
19 typical cost-effectiveness formulas and  
20 guidance that has been used is dated to say the  
21 least. It hasn't been updated in more than 15  
22 years. That's the California Standard Practice  
23 Manual.

24 And so, this new manual, given all the

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 improvements, understanding and expansion of  
2 energy efficiency in this country, provides a  
3 new framework for looking at the policies and  
4 the objectives of a state or a utility or a  
5 jurisdiction, and making sure that the  
6 assessment of the cost-effectiveness of a  
7 program aligns with those policies, and  
8 explicitly states how it does that.

9 So, for example, with respect to a  
10 low-income adder, which exist as part of the  
11 cost-effectiveness now, presumably that is a  
12 policy objective of the state or an interest of  
13 the state, and that that's articulated  
14 somewhere. The framework of the National  
15 Standards Practice Manual would be very clear  
16 and explicit about explaining where that policy  
17 objective comes from and how it's translated  
18 into a cost-effectiveness test.

19 So, the second part related to this  
20 beneficial electrification, or "strategic  
21 electrification" as it's sometimes called, has  
22 to do with the recognition that, as the  
23 electric grid becomes cleaner, that there are  
24 environmental benefits, and particularly

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 climate benefits, to switching from fossil fuel  
2 space heating to electric space heating.

3 That has typically been a challenge from  
4 cost-effectiveness and from thinking about  
5 "energy savings", because, if you do that, the  
6 electric utility is actually going to sell more  
7 kWh rather than less. And so, in various  
8 states in the region that have been pursuing  
9 that, there's been a lot of debate and  
10 discussion about how to count savings for that  
11 kind of activity, how to measure the  
12 cost-effectiveness of that kind of activity.

13 And I think, given that there seems to be  
14 an interest and desire in New Hampshire as well  
15 to move that way, an explicit assessment of  
16 those calculations, those approaches, would be  
17 important and beneficial, to make sure that, in  
18 particular, we don't end up with  
19 counterproductive signals, particularly, again,  
20 for electric utilities, where on the one hand  
21 you're saying "please save energy", on the  
22 other hand you're saying "well, please sell  
23 more energy", but for a particular purpose, and  
24 making sure that those are balanced

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 appropriately.

2 Q And you mentioned that there would be possibly  
3 environmental benefits associated with  
4 electrification. But can you imagine scenarios  
5 where there are also some fairly significant  
6 bill savings impacts?

7 A (Loiter) Yes. Right. The other factor that  
8 comes into play is, you know, traditionally,  
9 utility rates, you know, historically were sort  
10 of kept in check in the face of increasing  
11 investment by the fact that load was also  
12 increasing. And so, that the increased revenue  
13 requirement was offset by increased sales, and  
14 so that the dollar per kWh that needed to be  
15 recovered was kept in check.

16 We're now in a time, with efficiency and  
17 other trends in the economy, particularly in  
18 New England, that the total volume of sales is  
19 not increasing, but costs continue to go up.  
20 And as a result of that, rates go up, in order  
21 to recover the revenue requirement over a  
22 relatively static kWh.

23 Using the electric grid for beneficial  
24 electrification or for transportation increases

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 kWh energy sales in a way that (1) is  
2 beneficial environmentally, but then (2) also  
3 lowers the unit rate for revenue recovery. And  
4 that can have benefits to all ratepayers,  
5 particularly those who try to control their  
6 energy consumption. So, you spread the  
7 distribution costs and all, you know, other  
8 investments over more kWh, which keeps the rate  
9 in check.

10 Q So that you are describing the spreading of the  
11 fixed system costs to kilowatt over more  
12 kilowatt-hours and how that impacts, really,  
13 all ratepayers, including non-participants, is  
14 that correct?

15 A (Loiter) That's right. All ratepayers, whether  
16 or not their participating in energy  
17 efficiency, benefit from that.

18 Q And I'm wondering if you might be able to just  
19 delve very briefly into the benefits that might  
20 accrue to program participants, as far as bill  
21 savings, when, for example, they might be  
22 switching from an unregulated fossil heating  
23 source to a highly efficient electric heating  
24 source. Would their energy burden tend to go

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 up overall or down overall?

2 A (Loiter) Well, certainly, the intent in making  
3 those switches is for that energy burden to go  
4 down. You know, when done appropriately, if  
5 someone's got an older, inefficient fossil  
6 appliance, particularly if it's oil or propane,  
7 really particularly oil, high efficiency  
8 electric heating can be, despite the fact that  
9 electricity has an associated cost with it, can  
10 lower the customer's total bill for meeting  
11 their space heating needs.

12 Q And now I just want to move very briefly to the  
13 "Benefit/Cost Modeling Assumptions" section of  
14 the Settlement Agreement.

15 A (Loiter) Uh-huh.

16 Q I think that's Section J.

17 A (Loiter) Uh-huh.

18 Q And I think this was mentioned by Ms. Peters,  
19 but I just want to make sure that we've got it  
20 nailed down.

21 There is some accounting for fossil  
22 avoided costs relative to avoided emissions  
23 benefits for fossil fuels in this Agreement, is  
24 there not?

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 A (Loiter) That's right. The approach is one of  
2 using the value of avoiding RGGI compliance  
3 payments on the electric side and using a  
4 comparable value for avoiding carbon from other  
5 sources.

6 Q And would it be accurate to say that, and this  
7 is echoing your testimony, that this is  
8 actually a value which had previously been  
9 appeared to be approved by the Commission  
10 several years ago and was never explicitly  
11 revoked. Would that be accurate?

12 A (Loiter) Based on the review I was able to do,  
13 yes.

14 Q Now, if I could just ask you to turn very  
15 briefly for Section K, "Miscellaneous", there  
16 is some discussion there of a "bill impact  
17 analysis". Can you just briefly describe what  
18 that is and why that could be a helpful tool in  
19 helping us understand the breadth and depth and  
20 impact of our programs?

21 A (Loiter) Sure. I was looking at some of the  
22 materials that have been provided, and both in  
23 the way the Plan is typically provided in some  
24 of the updated exhibits, and utilities

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 typically present the change in the SBC  
2 required in order to fund the programs, once  
3 all the other factors of RGGI income and  
4 *etcetera* have been factored in. And sometimes  
5 it's -- sometimes they present what that would  
6 mean for an average customer bill.

7 I think there can also be relevant  
8 information provided to the Commission by  
9 providing an estimate of how a typical  
10 participant inefficiency, how their bill would  
11 change on a monthly basis, factoring in the  
12 fact that they're using less energy, but they  
13 are paying their SBC.

14 I think it's important for the Commission  
15 to also see the impact on a nonparticipant's  
16 bill, and what does it look like when the SBC  
17 goes up for someone who doesn't participate,  
18 who doesn't reduce their energy usage. And  
19 seeing that information side-by-side can help  
20 the Commission understand the impacts to all  
21 ratepayers. You know, the OCA, my client, is  
22 obviously particularly concerned with  
23 residential customers, but this is relevant to  
24 all customer classes.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1           So, there are some ways of presenting that  
2           information. There are examples provided in  
3           the National Standards Practice Manual, for  
4           example, that lay out a nice, concise way of  
5           presenting this information I think would be  
6           valuable for the Commission to see.

7   Q       And given what we've discussed so far here this  
8           morning, and what you've heard from others, do  
9           you support this Settlement Agreement as  
10          presented and filed with the Commission?

11   A       (Loiter) I do.

12   Q       And do you see the rates set forth in that  
13          Settlement and its attachments as just and  
14          reasonable?

15   A       (Loiter) I do.

16                   MR. BUCKLEY: Thank you, Mr. Loiter.  
17          No further questions.

18                   CHAIRMAN HONIGBERG: Mr. Dexter.

19                   MR. DEXTER: Thank you. I have some  
20          questions for the panel about the processes  
21          that will be going on over the next two years.  
22          And I know Ms. Peters covered it in her  
23          summary, but I just want to make sure we're all  
24          on the same page.

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1 BY MR. DEXTER:

2 Q As I understand it, assuming that this  
3 Settlement is approved and a compliance filing  
4 is made in January of 2019, is it correct that  
5 the next filing before the Commission related  
6 to the EERS will be the Peak Demand Response  
7 Pilot Program?

8 A (Peters) That's correct. That Eversource and  
9 Unitil have agreed to provide a filing related  
10 to that pilot program. We hope to file that as  
11 early as we are able to in the year, because we  
12 need to start work with the vendors and  
13 customers in order to have it operational for  
14 this summer. The Settlement Agreement does not  
15 have a specific date, but we are aiming to do  
16 that early in the year.

17 Q And you would be looking for an approval from  
18 the Commission of those programs in the -- is  
19 it fair to say, roughly, the first quarter of  
20 2019?

21 A (Peters) Yes.

22 Q Thank you. Now, does that program appear on  
23 the chart that's attached to the Settlement? I  
24 couldn't find it. But if you could point that

[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 out, that would be helpful.

2 A (Peters) That program is not on the chart,  
3 actually. The chart was more related to the  
4 planning process that leads up to the next  
5 triennium plan. So, the demand initiative is  
6 not on the chart. It is something that, as  
7 noted, we are in the planning process for now,  
8 but -- at Eversource and at Unitil. We would  
9 be looking to make that filing early in the  
10 year, get an approval for it, and would need to  
11 be working this spring with vendors to identify  
12 the customers and put the plans in place, in  
13 order to be able to have the customers do the  
14 load curtailment during the Summer of 2019.

15 Eversource, I know, and I believe Unitil,  
16 does already have a vendor that we're working  
17 with in Massachusetts. So that does speed up  
18 some of the process, which is why we're able to  
19 put this initiative in for 2019.

20 Q Thank you. Now, moving through 2019, is it  
21 correct that the next filing that would be made  
22 for the Commission has to do with the policy  
23 goals related to the National Standard Practice  
24 Manual and the Energy Optimization studies that

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1 were discussed?

2 A (Peters) Yes. That would be a recommendation  
3 coming from the Benefit/Cost Working Group  
4 filed to the Commission, and looking for a  
5 ruling on that hopefully by the end of August,  
6 so that any information from that ruling could  
7 then be available and incorporated into  
8 stakeholder discussions that will happen in the  
9 Fall of 2019 related to goals for the next  
10 3-Year Plan.

11 Q Thank you. And then, later in 2019 would come  
12 the 2020 Update, is that right?

13 A (Peters) That's correct. That would be filed  
14 in September of 2019.

15 Q And you indicated, I believe, that the  
16 Settlement terms were designed to put some  
17 parameters around that, to perhaps make it go a  
18 little bit more quickly or not devote as much  
19 resources as the 2019 Plan Update ended up  
20 taking. Is that fair?

21 A (Peters) That's correct. A number of the  
22 issues that we're discussing here and in the  
23 Settlement are related to this planning process  
24 for the next 3-Year Plan, which is an important

[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 thing to lay out and to think about, so that we  
2 make sure we kind of provide ourselves a path  
3 to get to where we want to be for that next  
4 3-Year plan.

5 Because that work will be underway  
6 significantly in 2019, the Parties anticipate  
7 that the 2020 Update will focus on just an  
8 update for the budgets and the programs for  
9 2019. There are a number of elements that are  
10 laid out in the Settlement Agreement that would  
11 be specifically provided as documentation. But  
12 the planning process for the next 3-Year Plan  
13 will be happening simultaneously in the  
14 stakeholder arena and not as part of that 2020  
15 Update docket.

16 Q And both of those dockets that we just  
17 discussed, the docket related to -- or, both of  
18 those filings related to the National Standards  
19 Practice Manual and the Energy Optimization  
20 studies, as well as the 2020 Update, both of  
21 those are contained on the chart, which is at  
22 Bates 035, correct?

23 A (Peters) That's correct.

24 Q And then, moving into 2020, as I understand it,

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1 the only filing that will be made for approval  
2 that year will be the next 3-Year Plan,  
3 correct?

4 A (Peters) That's correct. July 1st, 2020.

5 Q And is it correct that some of the actions that  
6 were taken or a lot of the actions that will be  
7 taken as a result of this Settlement Agreement  
8 were designed to allow for a smooth and  
9 hopefully a consensus filing to occur on  
10 July 1st, 2020?

11 A (Peters) That's correct. As you can tell,  
12 there are a number of policy discussions to be  
13 had, as well as detailed analysis regarding the  
14 goals and program development. And the Parties  
15 have worked hard through this discussion and  
16 process to set out a path to make sure that we  
17 can achieve those policy discussions, as well  
18 as the detailed analysis, in order to submit  
19 that plan for July 1st. Includes a robust  
20 stakeholder process with the EESE Board and  
21 other parties, and should result in a positive,  
22 forward-moving next triennium plan.

23 Q Thank you. Now, turning to Mr. Stachow, do you  
24 have anything that you would like to add to the



[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 summary that was presented by Ms. Peters of the  
2 Settlement, both in terms of substance and in  
3 terms of some of the process that we've just  
4 been talking about?

5 A (Stachow) Perhaps I would simply reinforce,  
6 based upon the questions you asked, that in my  
7 view many of the analyses that are anticipated  
8 for the first half of 2019 are designed to feed  
9 in to the Technical Potential Study, which is  
10 going to, in turn, be one of the factors that  
11 will be influencing the next triennium. So,  
12 all of these are part of the pathway to  
13 achieving the next Triennial Plan.

14 Q Thank you. And, Mr. Stachow, in your opinion,  
15 does the Settlement call for a portfolio of  
16 energy efficiency programs that meet the  
17 requirements of the EERS standard that was  
18 established in DE 15-137?

19 A (Stachow) It does.

20 Q And are the resulting programs -- I'm sorry,  
21 that the Settlement -- do you support the  
22 Commission approval of the Settlement as a just  
23 and reasonable resolution of the issues  
24 presented in this proceeding?

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 A (Stachow) I do.

2 Q And do you support the proposed rates as just  
3 and reasonable as presented?

4 A (Stachow) I do.

5 MR. DEXTER: Thank you. That's all I  
6 have.

7 CHAIRMAN HONIGBERG: Before I turn  
8 the microphone over to Commissioner Bailey, I  
9 want to go through the exhibits and make sure  
10 that the Parties are satisfied with what's  
11 going in, and that we have what we need in the  
12 record to rely on.

13 In my checking things off during the  
14 questioning, I heard questions about  
15 Exhibits 10, 12, 15, and 18. I don't know that  
16 I heard questions or a description of Exhibits  
17 19 and 20. And I also didn't hear 13, 16, and  
18 17, which -- or, I'm sorry, 13, 14, 16, and 17,  
19 which are testimonies from witnesses who are  
20 sitting in the room, but aren't part of the  
21 panel.

22 And I'll note, with respect to 11,  
23 which is the testimony of Mr. Colton, we had a  
24 motion, which was granted, to allow that to

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1       come in with Mr. Colton's affidavit, which was  
2       submitted sometime last week.

3               So, as I sit here, I'd be prepared to  
4       strike ID at the end of this on 10, 11, 12, 15,  
5       and 18. Tell me what you want to do with the  
6       others.

7               MR. FOSSUM: Well, I'll start down at  
8       the bottom. The testimony ones that you've  
9       identified that have not been spoken to  
10      directly so far, that would be 13, 14, 16, and  
11      17, our understanding was that, to the extent  
12      necessary, each of those persons, as you've  
13      noted, are here in the room and would take  
14      whatever steps they need to formally adopt that  
15      testimony into the record today. So, they're  
16      prepared to do that. They have not done so  
17      yet.

18              Exhibits 19 and 20, there is a second  
19      panel that is planned for this morning. There  
20      is testimony --

21              CHAIRMAN HONIGBERG: I'm sorry, that  
22      was news. I didn't realize that. There's  
23      another panel. Are they going to be dealing  
24      with 19 and 20?

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 MR. FOSSUM: They will. There was  
2 testimony that -- rate-specific testimony that  
3 was submitted as part of Exhibit 10. Those  
4 witnesses will be addressing that rate-specific  
5 testimony as part of Exhibit 10, as well as  
6 Exhibits 19 and 20.

7 CHAIRMAN HONIGBERG: So, who are the  
8 witnesses who are going to be on the second  
9 panel?

10 MR. FOSSUM: That would be the same  
11 witnesses identified in that testimony  
12 originally: Christopher Goulding, Heather  
13 Tebbetts, Karen Asbury, and Carol Woods.

14 CHAIRMAN HONIGBERG: Okay. Off the  
15 record.

16 *[Brief off-the-record discussion*  
17 *ensued.]*

18 CHAIRMAN HONIGBERG: All right.  
19 We'll go back on the record. We had a brief  
20 discussion off the record. What we're going to  
21 do is deal with the four witnesses who are in  
22 the room whose testimony hasn't yet been  
23 adopted, we'll deal with that after this panel  
24 is done.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1                   So, now, Commissioner Bailey,  
2                   questions for this panel?

3                   CMSR. BAILEY: Thank you. Good  
4                   morning. And let me start by thanking you for  
5                   your hard work on this. I know that it looks  
6                   like you all have invested a terrific amount of  
7                   time and energy into resolving the issues that  
8                   you all came to agreement on.

9                   BY CMSR. BAILEY:

10          Q       With that said, can anybody tell me what the  
11                   expected savings from the 2014 delivered sales  
12                   are for 2018, the actual? Does anybody know?

13          A       (Peters) The actual percentage for 2019 or  
14                   the --

15          Q       For 2018.

16          A       (Peters) Oh, for 2018.

17          Q       What did we achieve this year?

18          A       (Peters) Well, the year is not quite done.

19          Q       I know. That's why I asked you what you  
20                   expected.

21          A       (Peters) So, we are expecting to meet the  
22                   energy savings, which I believe is 0.8 percent  
23                   of 2014 sales for electric and 0.7 for gas.

24          Q       That's right.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 A (Peters) 0.7 for gas. The utilities are  
2 anticipating that we will meet those goals for  
3 2018. We have not closed out the year. We  
4 don't have the final numbers. But we are  
5 anticipating we will meet the goals.

6 Q Okay. Do we get a report about that at a  
7 certain point?

8 A (Peters) Certainly. We just submitted a  
9 Quarter 3 Report. I don't have the details of  
10 that report in front of me, but we can get it  
11 to you. And then, we can -- we'll be following  
12 up with a Quarter 4 Report, which will indicate  
13 savings for the full year.

14 Q Mr. Stachow, do you happen to know what the  
15 Quarter 3 Report --

16 A (Stachow) I do not, I regret.

17 Q Okay. Okay. Anybody?

18 A *(No verbal response)*.

19 Q No? Okay. All right. The original Plan  
20 indicated that you could meet the 2019 target  
21 savings of an additional 1 percent for electric  
22 and an additional 0.75 percent for gas without  
23 raising the Systems Benefits Charge. And now,  
24 in the Settlement Agreement, you have agreed to

[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 collect more money, correct?

2 A (Peters) No. The original 3-Year Plan  
3 indicated that we could meet the 1 percent of  
4 2014 sales and the 0.75 percent of 2014 sales  
5 at certain budget levels, which did anticipate  
6 an increase in the System Benefits Charge and  
7 the LDAC charge from 2018 to 2019. So, an  
8 increase was anticipated.

9 When the utilities drafted the 2019 Update  
10 Plan, the plan that was submitted on September  
11 14th, we estimated that, on the electric side,  
12 we could actually meet that 1 percent at a  
13 lower cost than we had anticipated in the  
14 3-Year Plan. And so, that's the discussion  
15 that I was going through regarding the budget  
16 levels that are in the Settlement.

17 Through discussions with the Parties, we  
18 determined that the budget level from the SBC  
19 that was indicated in the original three-year  
20 filing, if we went back to that amount, would  
21 allow for additional savings to happen in 2019  
22 beyond the 1 percent. And so, that chart on  
23 Page 4 of the Settlement lays out that  
24 additional funding and the programs that it

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 will go to.

2 Q Okay. So, what is the additional savings that  
3 we're going to achieve?

4 A (Peters) Yes. So, the additional funding, just  
5 to be clear, is \$2,253,103. The additional  
6 savings that will come from that, as I -- as I  
7 indicated, it's going to a number of different  
8 programs: The Home Energy Assistance Income  
9 Eligible Program, to a pilot for demand  
10 reduction, to the commercial and industrial  
11 programs, and to the residential programs.

12 CHAIRMAN HONIGBERG: Ms. Peters, let  
13 me stop you.

14 WITNESS PETERS: Uh-huh.

15 CHAIRMAN HONIGBERG: We got that  
16 part.

17 WITNESS PETERS: Got it. Yes.

18 CHAIRMAN HONIGBERG: Commissioner  
19 Bailey I think is looking for a number, or  
20 maybe two numbers.

21 CMSR. BAILEY: And not a number about  
22 the budget, a number about the savings.

23 WITNESS PETERS: Okay. I've got  
24 three savings numbers for you.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 CMSR. BAILEY: Great.

2 **BY THE WITNESS:**

3 A (Peters) So, the additional annual  
4 kilowatt-hour savings from that is an increase  
5 of just over 2 million kilowatt-hours. The  
6 additional annual MMBtu savings, because some  
7 of these programs are fuel-neutral residential  
8 programs, is just over 4,000 MMBtus. And then,  
9 Eversource and Unitil anticipate 6.8 --  
10 6.8 megawatts of savings from the demand  
11 initiative. That is not included in the  
12 benefit/cost model, because this is a pilot.  
13 But that's the anticipated demand savings from  
14 the demand initiative portion.

15 BY CMSR. BAILEY:

16 Q So, are those numbers too small to tell me what  
17 percentage of the savings that would be? So,  
18 if we originally expected 2019 to have an  
19 additional 1 percent in electric savings, what  
20 does that get us to?

21 A (Peters) I understand your question, but I'm  
22 not able to do the percentage math in my head  
23 at this time. I don't know if someone else  
24 might be able to.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Q Maybe after a break we could get that?

2 A (Peters) Yes. It should be fairly easy, I --

3 CHAIRMAN HONIGBERG: It's not fair to  
4 ask you to do math under pressure.

5 *[Laughter.]*

6 BY CMSR. BAILEY:

7 Q And is there anybody on the panel who can speak  
8 to the gas savings?

9 A (Carroll) I don't have the -- I do not have the  
10 numbers for the gas savings right in front of  
11 me. But, again, it should be a pretty simple  
12 exercise that we could do after a break.

13 Q Okay. And that was based on the 4,000 MMBtu?

14 A (Carroll) That's not actually -- that's not gas  
15 savings, correct? The additional funding is  
16 actually only in the electric programs.

17 Q Okay.

18 A (Carroll) So, there are no additional gas  
19 savings. They're fuel-neutral oil and propane  
20 savings, those MMBtus that Kate mentioned.

21 Q Okay. All right. So, for the gas savings, you  
22 expect to achieve 0.75 percent in 2019?

23 A (Carroll) That's correct.

24 Q With the Plan as proposed?

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 A (Carroll) As planned.

2 Q Okay. If the electric savings, say,  
3 hypothetically, it's 1.1 percent, and the total  
4 goal for the three years is a cumulative 3.1  
5 percent, does that reduce your 2020 obligation  
6 by that 0.1 percent?

7 A (Peters) We had not discussed a potential  
8 reduction for the 2020 obligation. So, I  
9 believe the Settling Parties assume that the  
10 2020 goal is still as stated in the original  
11 EERS.

12 Q So, that would not reduce the 2020 obligation?

13 A (Peters) No.

14 Q Everybody else agree?

15 A (Carroll) Yes. I think that was the  
16 understanding, although not explicit.

17 A (Loiter) Yes. I would agree with that. I  
18 think, in some places I'm familiar with, that  
19 you say there's a three-year goal, and that's  
20 really what's being aimed at. But, in those  
21 situations, you don't focus on these, you know,  
22 intermediary targets. So, I think, in this  
23 context, I think the focus really is on each of  
24 those targets each year.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Q So, if you do better in one year, that doesn't  
2 change your obligation for the next year?

3 A (Loiter) Correct.

4 Q Okay. Mr. Stachow?

5 A (Stachow) I concur.

6 Q Thank you. Can some, any one of you or all of  
7 you, confirm for me that the increase -- well,  
8 that the additional money that you'll spend,  
9 which is consistent with the original budget,  
10 will be used for cost-effective energy  
11 efficiency? Is it cost-effective still?

12 A (Peters) It is cost-effective. The entire  
13 2.253 million is included in the benefit/cost  
14 model and results in cost-effective programs.  
15 As I noted, the megawatt-hour savings for the  
16 demand incentive are not included, because it's  
17 a pilot, and the savings, you know, are  
18 something that we're going to be exploring, but  
19 we did include the costs of that, as well as  
20 the rest of the additional items.

21 Q During the break, when you figure out what  
22 the percentage in savings is, can you also  
23 just give me an idea, an order of magnitude,  
24 what 6.8 megawatts of demand response would

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 achieve?

2 Now, moving onto that pilot program for  
3 demand response for C&I customers. Can  
4 somebody explain to me why Liberty isn't  
5 involved in that, since they are -- they have a  
6 pilot program for residential customers in  
7 their battery storage proposed that will be  
8 predicting when the peak occurs, and, you know,  
9 why aren't they involved in that?

10 A (Peters) Right. So, both Liberty and New  
11 Hampshire Electric Co-op are interested in this  
12 topic and in this pilot. In terms of moving  
13 forward for a 2019 pilot, Eversource and Unitil  
14 have a vendor in place from our work in  
15 Massachusetts and its structure for the pilot  
16 that already exists. Liberty does not have  
17 that structure in place in Massachusetts. So,  
18 kind of ramping up in time to actually execute  
19 the pilot in New Hampshire was going to be more  
20 difficult for them and/or for the Co-op.

21 And as you mentioned, Liberty has a  
22 separate initiative going on related to demand  
23 reduction currently, and the Co-op also has  
24 separate initiatives that they do with their

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1 members related to demand reduction.

2 So, we determined that Eversource and  
3 Unitil will move forward with this pilot in  
4 2019. All of us will review the results and  
5 the outcomes from that pilot, and then likely  
6 have further discussion about inclusion for  
7 2020 that may include the other companies.

8 Q You say you have a vendor and structure in  
9 place for a demand response program for your  
10 C&I customers in Mass.?

11 A (Peters) Yes.

12 Q Can you explain what the vendor does for you?  
13 Do they -- how do they predict -- do they  
14 predict the peak for you, when the peak will  
15 happen, or do they get the word out to the C&I  
16 customers?

17 A (Peters) I know that the vendor works with the  
18 customers to develop the plan for curtailment,  
19 and then works with the utilities in terms of  
20 determining the actual amount of kW that was  
21 reduced.

22 Exactly how that analysis works I'm not  
23 personally familiar with. We may have other  
24 folks in the room who are able to describe that

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 further, if that's something that you'd like to  
2 go into?

3 Q That's okay. That part of the answer is okay.  
4 Do you know how the Company predicts when the  
5 peak is going to happen, so that the C&I  
6 customers can cut their demand at that moment  
7 in time?

8 A (Peters) I do not personally know exactly how  
9 that analysis happens or who is making that  
10 call. There probably are others who could  
11 speak to it additionally.

12 Q Mr. Loiter?

13 A (Loiter) I could just offer one point of  
14 reference. I think, in general, the ability to  
15 do that is pretty well developed in the  
16 industry. I have a client, which is a small  
17 collection of municipals in Connecticut, and  
18 they have some emergent generation at the  
19 municipal facilities and things like that.  
20 They have been very successful at predicting  
21 the peak so that they can effectively, you  
22 know, use a demand response strategy to knock  
23 it down.

24 Q The municipality does it?

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 A (Loiter) I mean, they have a firm that helps  
2 them do it. But it's -- I think it's pretty  
3 accessible.

4 Q There's a product out there that helps  
5 utilities --

6 A (Loiter) There's a service. There's a -- there  
7 are entities that will help you do that that I  
8 think are pretty good at it.

9 Q Okay.

10 CHAIRMAN HONIGBERG: Commissioner  
11 Giaimo.

12 BY CMSR. GIAIMO:

13 Q So, there would be a third party who would be  
14 aggregating load and responding to market  
15 signals and/or capacity deficiencies on the  
16 system? That's a question.

17 A (Peters) I know it's a question. I believe the  
18 answer is "yes", but I'm not 100 percent sure.  
19 We do have additional expertise on this topic  
20 in the room, although not on the panel at the  
21 moment. So, it may make sense to incorporate  
22 that into this discussion at some point.

23 CHAIRMAN HONIGBERG: Mr. Fossum, she  
24 seems to be looking at you.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1                                   *[Laughter.]*

2                   CHAIRMAN HONIGBERG: I don't think  
3                   you're the expertise in question. But I think  
4                   you may be able to help us here.

5                   MR. FOSSUM: No, I'm not. It's  
6                   certainly not to her benefit to look at me for  
7                   a number of reasons. No, it's not me who would  
8                   be the expert. I believe it's actually a  
9                   witness from Unitil who has some experience  
10                  with this who would have some additional  
11                  information and could probably answer some of  
12                  the questions that are being asked.

13                  CHAIRMAN HONIGBERG: Mr. Taylor? Do  
14                  you have somebody here who could help us out?

15                  MR. TAYLOR: Yes. Tom Palma, I  
16                  believe, could speak to the issue.

17                  CHAIRMAN HONIGBERG: All right.  
18                  Well, maybe what we'll do is set aside a few  
19                  minutes for Mr. Palma to be sworn in and offer  
20                  some testimony. Does that seem reasonable?

21                  MR. TAYLOR: If the others are okay  
22                  with it, we'd certainly be willing to provide  
23                  the information.

24                  CHAIRMAN HONIGBERG: Is there going

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 to be any objection from anyone?

2 MR. DEXTER: None from Staff.

3 CHAIRMAN HONIGBERG: All right. I  
4 see lots of shaking heads.

5 If you want to continue to ask  
6 questions of this panel, we may identify other  
7 issues or other things that Mr. Palma can help  
8 us with or maybe somebody else in the room.

9 CMSR. GIAIMO: Okay. Then, I'll ask  
10 a couple more, a couple more questions.

11 BY CMSR. GIAIMO:

12 Q So, would the intention be to bid this product  
13 into the competitive market?

14 Okay. Seeing a pause, I will take that as  
15 a --

16 A (Carroll) Maybe Tom Palma.

17 Q Okay. Well, I'll ask that one later. The  
18 utilities wouldn't be -- they would be  
19 independent, right? You wouldn't be  
20 aggregating collectively?

21 A (Carroll) That's correct. It would be  
22 individually.

23 Q So, my understanding of the way demand response  
24 is dispatched, it gets dispatched in one of 19

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 zones in New England. So, there are situations  
2 where a small utility might have difficulty  
3 without aggregating with another utility. So,  
4 I guess my other question is, does Unitil have  
5 enough commercial/industrial in the various  
6 dispatch zones to operate in this market?

7 A (Carroll) That is probably a question that's  
8 better answered by Mr. Palma. But I believe  
9 that we do.

10 CMSR. GIAIMO: Okay. And the -- my  
11 question with respect to the markets would be,  
12 I guess this is something to think about, would  
13 be both the capacity ancillary service market,  
14 as well as the energy market. Thank you.

15 CMSR. BAILEY: All right. This is a  
16 question on this topic that I think you guys  
17 can probably answer.

18 BY CMSR. BAILEY:

19 Q So, if this pilot reduces the amount of  
20 kilowatt-hours sold, will the lost revenue be  
21 made up through the lost revenue program?

22 A (Peters) We did not include this in the lost  
23 revenue calculations. Again, it's a pilot. We  
24 didn't include the reductions in the

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 benefit/cost model and we also did not include  
2 them in the lost revenue calculations.

3 Q Okay. So, the only loss revenue that will be  
4 made up through the program is the 0.8 percent  
5 of the savings and the 1 percent for 2019?

6 A (Peters) Correct.

7 Q For electric?

8 A (Peters) Correct.

9 Q Okay. Thank you.

10 BY CMSR. GIAIMO:

11 Q It seems like we're almost about to transition  
12 off the pilot. So, my question with respect to  
13 demand response was, Mr. Loiter, Attorney  
14 Buckley I believe he said you "were happy",  
15 that you were happy with the fact that demand  
16 response was -- there was going to be a metric  
17 associated with this. I guess I was hoping to  
18 give you the opportunity to define "success".  
19 What would the metric look like to say that  
20 this program was a success?

21 A (Loiter) I just want to clarify, the metric  
22 that I proposed in my testimony was a metric  
23 for demand reduction from the program overall,  
24 from the Plan overall. Whether it comes from

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1 energy efficiency or from an active demand  
2 response. And I think, given the limited scale  
3 of the demand response here, I think the  
4 objective would be to set a target for a kW  
5 reduction that comes from the program that, you  
6 know, as a starting point you would look and  
7 see what the utilities believe they're going to  
8 get, and then, depending on discussion, maybe  
9 that can be, you know, stretched a little bit.  
10 So that there's -- so that there's an incentive  
11 for the utility to try to get energy savings  
12 from measures that also reduce peak. I think  
13 that's really the success we're trying to get  
14 at, is, you know, again, if you have a choice  
15 between two kWh, and one of them gets you some  
16 good peak reduction and one doesn't, we want  
17 there to be a little bit of a push to get the  
18 one that also gives you the peak reduction.  
19 But right now that's not really captured, you  
20 know, directly in their structure.

21 CMSR. GIAIMO: Thank you for  
22 answering.

23 BY CMSR. BAILEY:

24 Q Okay. I'd like to move onto the income

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 eligible program. Was there an underspend in  
2 the income eligible program during 2018?

3 A (Peters) So, 2018 is not completed yet. So,  
4 it's unclear. Eversource is actually -- we  
5 made a notice filing to the Commission last  
6 month indicating we anticipated Eversource a  
7 significant overspend in that program in 2018.  
8 I'm not sure of the status of the other  
9 utilities at the moment.

10 However, this discussion arose from the  
11 fact that there was an underspend in 2017 in  
12 the low-income programs for all of the  
13 utilities. And so, as noted in The Way Home's  
14 testimony, that that became a topic of  
15 conversation.

16 In the past, there has been no practice or  
17 process or agreement regarding what happens  
18 when there's an underspend. And in practice,  
19 most of the utilities try to make up for that  
20 in the next year. That's what we've done in  
21 past years. That's what we're trying to do in  
22 2018.

23 However, it seemed to make sense to  
24 formalize going forward a more specific

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 practice for what would happen if there were an  
2 underspend in the low-income programs, given  
3 that commitment to the programs that we've all  
4 made. And so, that's where the Settlement  
5 Agreement relating to the underspent funds  
6 being specifically carried forward to future  
7 years comes in.

8 Q So, did Eversource, for example, spend the 2017  
9 budget that was underspent in 2018?

10 A (Peters) Not technically. So, we closed out  
11 2017 with our Performance Incentive filing in  
12 June of this year. When all of the spending  
13 and the actual revenues for 2017 were taken  
14 into account in that filing, Eversource  
15 actually ended 2017 with a carry-under for the  
16 programs as a whole. So, those specific  
17 dollars were not spent in 2018. However, we  
18 did find opportunity in working to ramp up that  
19 program to take on additional jobs in 2018.  
20 And as we indicated in our notice letter, the  
21 additional funds for the low-income program in  
22 2018 will be coming from other residential  
23 programs that are not performing as well in  
24 2018.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Q And does anybody have any information about the  
2 other utilities?

3 A (Carroll) In terms of our underspend in '17, it  
4 was not the practice at the time to roll those  
5 funds forward as described in the Settlement  
6 Agreement here. So, we began our budget  
7 process in '17 very similar to what Kate just  
8 described for Eversource. We started to build  
9 a budget to reach the target, and then fold in  
10 any under- or over-collection that we had in  
11 the sector.

12 Q And are you on track to achieving the full  
13 spend for the 2018 budget this year?

14 A (Carroll) I believe we are.

15 Q I had a little bit of confusion about the  
16 cost-effectiveness test that you discuss on  
17 Bates Page 011. And will the review be about  
18 the application of the methods recognized in  
19 the National Standards Practice Manual? Does  
20 that actually happen in New Hampshire or is  
21 it -- can you help me out? I just -- I wrote  
22 down some notes and I can't -- I can't make  
23 sense of them.

24 A (Loiter) Sure. Let me see if I can help.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Cost-effectiveness tests were historically  
2 defined in this thing I mentioned, the  
3 California Standard Practice Manual. And  
4 there's a number of tests. You've probably  
5 heard of the Total Resource Test, the RIM Test,  
6 or Participant/Utility, *etcetera, etcetera*.

7 The National Standard Practice Manual lays  
8 out both a philosophy of cost-effectiveness  
9 testing and sort of a process that they call  
10 the "Resource Value Framework", which is  
11 designed for a jurisdiction to go through this  
12 process to develop a test, or potentially more  
13 than one test, that reflects that  
14 jurisdiction's policy objectives or even, you  
15 know, legislative mandates, *etcetera*. So that  
16 you're not going to have the Total Resource  
17 Cost Test here, you're going to have the New  
18 Hampshire test. And in fact, in Rhode Island,  
19 where they have undertaken -- they actually  
20 were ahead of the curve, they actually were  
21 doing some of this before the manual was done,  
22 but they have the Rhode Island test, and that  
23 is the cost-effectiveness test. And that  
24 includes components that they feel represents

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1       their policy framework, their regulatory and  
2       legislative framework.

3               And so, this process that's contemplated  
4       here would be to go through that process here  
5       in New Hampshire to come up with a test,  
6       potentially -- potentially more than one, but  
7       the objective is usually one test, that then  
8       allows you to say that "this program" -- that  
9       "this portfolio is cost-effective based on what  
10      we care about and value here."

11              So, does that --

12   Q       That was really helpful. I appreciate that.  
13       Thank you. So, now I have another question.

14              So, the working group in the EERS program  
15       will be evaluating what the best test for New  
16       Hampshire is for cost-effectiveness. Are we  
17       going to apply that test in other venues and  
18       dockets, where we talk about TRC and other  
19       kinds of cost-effectiveness tests? Is that the  
20       expectation?

21   A       (Stachow) Let me try and answer the first part  
22       of your question first. I'm not sure about the  
23       second part. But the first part, my  
24       understanding is that -- my mind's drawn a

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1 complete blank. Remind me of the first part of  
2 your question.

3 Q I mean, my question was really getting to --  
4 well, I guess the first part of my question  
5 that you were responding to was about who was  
6 going to come up with the test?

7 A (Stachow) Right. So, the way in which the  
8 Settlement is written, the expectation is that  
9 the selection and bidding process surrounding  
10 the selection of the consultant who will lead  
11 this effort on behalf of all the Parties would  
12 be managed by the EM&V Working Group.

13 The technical input, the stakeholder  
14 deliberations, and the process itself, the  
15 analysis, would be led by the B/C Working  
16 Group. And at the end of six months, I think  
17 it's six months, the recommendations of the B/C  
18 Working Group would be presented to the  
19 Commission for consideration.

20 Q And so, the follow-on question to that is, is  
21 it for consideration for a cost-effectiveness  
22 test simply for energy efficiency or is that  
23 going to set the standard -- is it your  
24 expectation that that will set the standard for

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 all kinds of cost/benefit tests for all the  
2 other dockets that we have that require that?

3 A (Stachow) Okay. Here I'm going to fly by the  
4 seat of my pants. Which is to say, as far as I  
5 understand, we're discussing a test for energy  
6 efficiency. However, having established that  
7 test for energy efficiency, there may be a case  
8 for broadening its application later.

9 Q Okay. Mr. Loiter?

10 A (Loiter) I'll offer that, in Rhode Island,  
11 which I referenced earlier, that the test that  
12 is being used for energy efficiency there grew  
13 out of a docket that took a broader view. And  
14 the objective of that docket and that  
15 investigation by that Commission was to have a  
16 consistent application of cost-effectiveness to  
17 all things that might affect regulated  
18 utilities' rates and cost recovery. So, they  
19 are seeking to apply that same framework to  
20 storage, distributed renewables, you know,  
21 electrification of transportation, etcetera.  
22 So, and then I think you could make an argument  
23 that that's a good thing, to have a consistent  
24 view across all of the things that would come

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 before you. Presumably, you'd want some  
2 outcome in the world to have the same value in  
3 multiple dockets.

4 Starts to get a little challenging. But,  
5 you know, I think the intention is there,  
6 again, in Rhode Island, to try to be consistent  
7 across all of these things.

8 A (Peters) Could I add one more to that?

9 Q Sure.

10 A (Peters) So, this focus I think that the  
11 Settling Parties had discussed had been  
12 particularly for the efficiency programs within  
13 the efficiency docket and the Benefit/Cost  
14 Working Group, which is focused on the  
15 efficiency programs. And the timeline that we  
16 have set forth is a fairly tight timeline.

17 And so, to the extent, as Mr. Stachow  
18 mentioned, there may be a broader applicability  
19 that could be considered in the future, I think  
20 the Staff and the Commission and others related  
21 to those other docket topics would need to  
22 consider how they might take the work that's  
23 being done in the efficiency docket currently  
24 and then expand upon it. I don't want to give

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 the impression that we could encompass all of  
2 those other topics in the six months that we've  
3 set forward for ourselves in this timeframe.

4 So, --

5 Q Okay. Thanks. Ms. Peters, this question is  
6 for you. How many new users did you achieve in  
7 2018 for your Customer Education Platforms?  
8 You, Eversource?

9 A (Peters) Yes. I do not have the number in  
10 front of me at the moment.

11 Q Do you know what 50 percent of that number is?  
12 I mean, --

13 A (Peters) I believe we're --

14 CHAIRMAN HONIGBERG: Well, --

15 CMSR. BAILEY: Well, she probably has  
16 a number in her mind.

17 **CONTINUED BY THE WITNESS:**

18 A (Peters) Yes. No, I believe, for 2019, in  
19 order to achieve that 50 percent, we're  
20 targeting about 13,000 customers. I could  
21 confirm that.

22 Q Okay.

23 A (Peters) Of new users.

24 CMSR. BAILEY: All right. Thank you.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 That's all I have.

2 CHAIRMAN HONIGBERG: Commissioner

3 Giaimo.

4 BY CMSR. GIAIMO:

5 Q And the opinion of Eversource is that's  
6 realistic, to be able to get to that 13,000  
7 number for 2019?

8 A (Peters) It is. We've done significant  
9 marketing in 2018 and achieved good increases  
10 due to that marketing. And we're now looking  
11 to build upon that. So, we've talked with the  
12 marketing folks and the data folks.

13 Q Okay.

14 A (Peters) And it will be a challenge, but it's  
15 one that we think we can achieve.

16 Q So, as I read the Settlement, there were  
17 numerous times when it sounds like a consultant  
18 will be hired. Is there -- has there been  
19 thought as to whether or not there could be one  
20 consultant hired for multiple tasks? I think  
21 that would help the left hand and right hand  
22 know what's going on, and maybe there would be  
23 an economy of scale and a bidding benefit. Has  
24 that been thought out? Or, was the thinking

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1       that each is an individual consultant? You  
2       didn't think there would be multiple  
3       consultants and no overlap?

4   A     (Stachow) Let me try and answer that as best I  
5       can. We have not sat down and thought about a  
6       coordinated response in the form of  
7       consultants. However, Staff currently benefit  
8       from SERA. That's the association that Lisa --  
9                               *[Court reporter interruption.]*

10   **CONTINUED BY THE WITNESS:**

11   A     (Stachow) -- Lisa Skumatz manages, a consulting  
12       organization. And they provide input to Staff  
13       and to others on a variety of ongoing projects  
14       at present. And to that extent, they help to  
15       cross-fertilize and share understanding of  
16       issues across different projects that are being  
17       pursued at present.

18               So, in a small way, that's an attempt to  
19       try and address that idea.

20   BY CMSR. GIAIMO:

21   Q     Okay. Thank you. The \$250,000 discussed on  
22       Page 14 of the Settlement, which is the  
23       additional 155,000, and then the 95,000 budget,  
24       are those caps? Is that a ceiling?

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 A (Peters) The 250,000 was the total number that  
2 we plan to budget in 2019 and 2020 combined for  
3 the stakeholder consultant. The consultants  
4 for the other studies that we were just talking  
5 about would be separate.

6 Q Okay. As I thumb through the Settlement, and  
7 now I'm on Page 15, and this is a simple  
8 question. And I want to make sure, is there a  
9 meeting of the minds with respect to what is  
10 referred to as "limited changes" going forward?

11 A (Peters) We believe so. We did make an effort  
12 here to lay out the specific items that would  
13 be looked at and contained within the 2020  
14 Update. There is some language on Page 16  
15 indicating that "data requests...will be  
16 limited to existing programs, budgets,  
17 revenues, savings targets and associated  
18 information and topics contained in the filing  
19 such as Performance Incentives."

20 But we did also note that it's not  
21 intended to limit the Settling Parties from  
22 discussing or implementing additional items,  
23 if, by mutual agreement, we conclude that they  
24 should be.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1           So, we are looking at the volume of work  
2           to be done, and trying to ensure that we can  
3           jointly do all of it, but noting that you can't  
4           always predict every item that might come up in  
5           the future.

6   Q       So, quite optimistic?

7   A       (Peters) Optimistic.

8   Q       All right. I wondered if anyone else wanted  
9           to --

10   A       (Stachow) I can simply add that I think  
11           everybody understood the tremendous volume of  
12           work that has to be done, because we have two  
13           parallel tracks, in effect. And so, I think  
14           everyone is aware that the more time that we  
15           devote to the 2020 Plan, there will be a  
16           cost/benefit in terms of the time and effort we  
17           can devote towards the longer term triennium.

18   A       (Loiter) And if I could, Commissioner? I love  
19           that, from OCA's perspective, the Performance  
20           Incentive is a topic of interest, and there's a  
21           commitment to, to the extent that consensus can  
22           be reached, that that would be factored into  
23           the Plan as well. So, I think that's an  
24           important inclusion for us.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Q Okay. Thank you. My understanding of the  
2 Settlement is that the non-wires alternative  
3 discussion, why there are other venues that  
4 could be done, in the short term that it won't  
5 be -- that it's not included as part of the  
6 Settlement Agreement. And with respect to  
7 planning, I just want to make sure I understand  
8 that right, for the 20 -- for the current plan,  
9 and that nothing precludes non-wires  
10 alternatives from being part of the next plan?

11 A (Peters) So, the Settlement says that it will  
12 not be reviewed in the context of the 2019 or  
13 2020 Plan Updates. We could talk -- we're  
14 going to be talking about the goals and the  
15 programs related to the next triennium, which  
16 could include probably any number of things.

17 Q So, while nothing is -- while it will not be a  
18 part of this Settlement, nothing precludes it  
19 from being a part of the next plan, the  
20 2021/2022/2023 Plan?

21 A (Peters) There would be a whole process for  
22 discussion, and it would not be precluded from  
23 that.

24 CMSR. GIAIMO: Thank you. That's all

[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 I got.

2 CHAIRMAN HONIGBERG: I have a couple  
3 of quick ones.

4 BY CHAIRMAN HONIGBERG:

5 Q Can someone give me a plain English description  
6 of what the Potential Study will be looking at,  
7 what question is it looking to answer?

8 A (Peters) The Potential Study is related to the  
9 potential that exists in New Hampshire for  
10 achieving energy savings. And so, that study  
11 needs to be scoped still be the EM&V Working  
12 Group, which will start in the early part of  
13 2019. So, the types of savings that that study  
14 may be looking at is something that will be  
15 decided through the scoping process. But it  
16 will be looking at the potential to achieve  
17 energy savings in New Hampshire.

18 And I don't know if --

19 A (Stachow) I would just -- I would just add to  
20 that, to give you an idea -- I would just add  
21 to that, that to give you an idea, you might  
22 take a look at the 2008 VIC GDS Study that was  
23 performed, which was essentially the last  
24 potential study that was done in New Hampshire.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Q And the premise is that at some point the  
2 next -- saving the next unit is too expensive  
3 to make it worth it. And you're looking at the  
4 costs and benefits and trying to look out in  
5 the future to see where those meet and cross.

6 A (Stachow) Yes.

7 Q Mr. Loiter, --

8 A (Stachow) Oh.

9 Q -- you look like you're ready to add something  
10 as well.

11 A (Loiter) Yes. You have it right. Typically, a  
12 potential study does perceive  
13 measure-by-measure and tries to capture all of  
14 the potential efficiency measures that are  
15 available, that are applicable. What do they  
16 cost? What do they save? Are they  
17 cost-effective? And then, how reasonable is it  
18 to make them happen in the market? And, you  
19 know, that usually proceeds based on some  
20 combination of what has been achieved in the  
21 past via "best practice" programs, if you will,  
22 and some prognostication about the future,  
23 about the way the world is changing and how  
24 customers are going to respond and participate

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 in programs.

2 But it does include cost-effectiveness, I  
3 think that was the key part of your question.

4 Q Thank you. With respect to the low-income  
5 programs, can someone give me, again, a plain  
6 English description of how our low-income  
7 citizens, as ratepayers or as renters who don't  
8 pay their own rates, how they benefit from the  
9 programs?

10 A (Peters) So, the income eligible program, the  
11 low-income program, is a whole-house  
12 weatherization program that is operated through  
13 the Community Action Agencies. So, the work  
14 that's performed for the low-income customers  
15 starts with a full energy audit of the home or  
16 the apartment, their dwelling, and then  
17 consists of implementing all of the  
18 cost-effective work that is related -- that has  
19 been identified in that energy audit. So, it  
20 reduces heating fuel use, it reduces electric  
21 use throughout the home. And there is a goal  
22 with the Community Action Agencies that we go  
23 into the home and do as much work as we're able  
24 to at one time, so that that customer is

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 receiving the full amount of benefit that they  
2 can kind of all within one job.

3 For the utility program, there is a cap of  
4 \$8,000 that's applied to that job. If there's  
5 a heating system needed, that could increase to  
6 also accommodate a heating system in the home.  
7 This program also combines with the Federal  
8 Weatherization Program. So, the Community  
9 Action Agencies have funding from both our  
10 program and the federal program. They work to  
11 combine that funding, to leverage it when  
12 possible. So, the goal is really to achieve  
13 the most benefit you can for that income  
14 eligible customer while you're there doing work  
15 in their house.

16 CHAIRMAN HONIGBERG: Thank you.  
17 That's helpful.

18 I think, before turning it back to  
19 counsel for redirect, we're going to take our  
20 break, and then have whatever supplemental  
21 information that can be provided with respect  
22 to the open issues by this panel, we'll do  
23 that, see if we have any follow-up, and then  
24 turn it back for redirect. Does that make

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 sense to you?

2 Oh, thank you. I see nodding heads.

3 That's always encouraging.

4 Let's go off the record for a minute.

5 *[Brief off-the-record discussion*  
6 *ensued.]*

7 CHAIRMAN HONIGBERG: Back on the  
8 record. We're going to take our lunch break.  
9 We will return at one o'clock.

10 *(Lunch recess taken at 11:57*  
11 *a.m. and the hearing resumed at*  
12 *1:07 p.m.)*

13 CHAIRMAN HONIGBERG: All right. When  
14 we broke, we, in part, did that to allow the  
15 witnesses to get some information that we asked  
16 about before the break.

17 Ms. Peters, are you going to be  
18 taking the lead here or is Mr. Fossum going to  
19 ask you some questions to get this out? How  
20 are we going to do this?

21 WITNESS PETERS: I think it was  
22 Matthew was going to ask me some questions.

23 MR. FOSSUM: Oh. All right.  
24 Clearly, I planned to ask questions.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1       Certainly, if you're ready, I guess I'll do  
2       that.

3   BY MR. FOSSUM:

4   Q     Ms. Peters, when you were being questioned from  
5       the Bench, do you recall a question or actually  
6       a series of questions relating to the goals for  
7       the 2019 Plan?

8   A     (Peters) Yes.

9   Q     And do you recall being asked about the  
10       additional dollars that are identified in the  
11       Settlement Agreement that will be added to what  
12       had been proposed in the initial Plan?

13   A     (Peters) Yes.

14   Q     And do you recall being asked how the addition  
15       of those dollars increases the percentage of  
16       savings that are expected for 2019?

17   A     (Peters) I do. So, the savings, as we  
18       discussed previously, for 2019 will increase  
19       with the additional dollars. Get closer to the  
20       mike. And so, the savings as a percent of 2014  
21       sales will increase from 1 percent to  
22       1.019 percent.

23               In addition to that, however, so that's a  
24       small increase in the kWh annual savings, as I

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1       noted before, there is a portion of those  
2       additional dollars going into the residential  
3       programs, many of which are fuel-neutral and  
4       primarily saves MMBtus of oil and propane and  
5       other fuels. So, there's additional MMBtu  
6       savings being achieved.

7               There are an additional 86 low-income  
8       customers that will be served from the  
9       additional funds, as well as the 200,000 that  
10      will go to training activities for the  
11      low-income contractors. This has been  
12      identified by the Parties as a bit of a  
13      bottleneck in that program as a need to be  
14      addressed in order to continue ramping up that  
15      program. So that will be an important element  
16      of that additional funding.

17              And then, there's the demand reduction  
18      initiative, which does not contribute to the  
19      kWh savings, but will be our pilot on kW  
20      savings.

21                      CMSR. BAILEY: Thank you.

22                      CHAIRMAN HONIGBERG: All right. Now,  
23      I think, do you have any redirect for the  
24      panel?

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 MR. FOSSUM: I do. And I will -- I  
2 guess I can preface it by saying there was some  
3 discussion during the lunch break about one of  
4 the exhibits that has not yet been offered, and  
5 that this panel would be the more appropriate  
6 panel to address that exhibit in the first  
7 instance.

8 I raised that with most of the other  
9 parties.

10 CHAIRMAN HONIGBERG: Have at it. If  
11 it causes us to ask questions on it, it's one  
12 of the cool things, we can do that.

13 MR. FOSSUM: Then, that's what we  
14 will do.

15 **REDIRECT EXAMINATION**

16 BY MR. FOSSUM:

17 Q I'll direct to Ms. Peters or Ms. Carroll. Are  
18 you familiar with what has been premarked for  
19 identification as "Exhibit 20"?

20 A (Peters) Yes.

21 Q And do you have that document in front of you?

22 A (Peters) Yes, I do.

23 Q Could you please explain what it is that  
24 Exhibit 20 is and what it is that it shows?

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 A (Peters) Certainly. Exhibit 20 includes  
2 revised versions -- I'll move the whole thing  
3 closer. Exhibit 20 includes revised versions  
4 of the number of the attachments to the 2019  
5 Update.

6 The first of which, on Bates 1, is the  
7 revised version of the statewide goals for  
8 2019. It's actually on that page that you can  
9 see, in the second column, the annual kWh  
10 savings, for the electric programs,  
11 "109,897,304". And if you compare that to the  
12 same page from the original filing, you'll see  
13 that increase in the kWh goals.

14 Bates Page 4 is the start of the revised  
15 Attachment C the 2019 Update, which is "Utility  
16 Budgets by Activity". So, information broken  
17 down by utility, by program, and by activity.

18 Bates Page 8 of Exhibit 20 is the revised  
19 Attachment D from the 2019 Update, which shows  
20 "Customer Served, Program Budgets,  
21 and...Savings", by company and by program.

22 And then we have the revised  
23 cost-effectiveness sheets for each utility.  
24 So, these are the cost-effectiveness

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 calculations. They include, for the electric  
2 utilities, the increased funding that we've  
3 discussed previously, and for the nat -- and  
4 for both the electric and the natural gas  
5 companies, the benefits reflect the removal of  
6 reliability from the benefit/cost test. So,  
7 Eversource cost-effectiveness begins on Bates  
8 Page 13; sorry, Liberty begins on Page 18,  
9 Liberty/Electric; New Hampshire Electric Co-op  
10 begins on Page 23; Unitil/Electric begins on  
11 Page 28; Liberty/Gas begins on Page 33; and  
12 Unitil/Electric begins -- oh, sorry, Unitil/Gas  
13 begins on Page 38.

14 Q So, would it be fair to say this document is an  
15 update of a series of attachments, and that the  
16 updates were necessitated by the addition of  
17 the funding that's specified in the Settlement  
18 Agreement. Is that a correct statement?

19 A (Peters) Correct. Both by the addition of the  
20 funding and the change to the benefit/cost  
21 modeling related to reliability that was agreed  
22 upon in the Settlement.

23 Q I'd like to direct your attention, Ms. Peters,  
24 to two specific -- well, you and Ms. Carroll,

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 to two specific pages just very quickly.

2 Looking at Bates Page 13, could you point out  
3 where the funding is identified for the demand  
4 response initiative that was discussed in your  
5 summation of the Settlement Agreement this  
6 morning?

7 A (Peters) Yes. Looking at the bottom of the  
8 main box, three lines up, just above the  
9 "Sub-Total for Commercial & Industrial", you'll  
10 see a line called "Large Business DR  
11 Initiative", you'll see the "250,000" in the  
12 "Utility Costs" line. And you'll see that  
13 there are no savings or benefits included in  
14 the benefit/cost model for that pilot for  
15 Eversource. In the "Number of Customers  
16 Served" column, you'll see that we're  
17 anticipating serving ten customers with that  
18 pilot.

19 Q Ms. Carroll, looking at what has been -- what  
20 is on Bates Page 28, which I believe is a  
21 similar schedule for Unitil, is there a similar  
22 line item for that?

23 A (Carroll) No, there is not. The costs for the  
24 DR Initiative for Unitil is contained in the

[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 line for the "Large Business Energy Solutions"  
2 Program, which is the first line item at the  
3 start of the "Commercial, Industrial &  
4 Municipal" section of this spreadsheet.

5 And if you look over at "Utility Costs",  
6 the third column over, that's where those costs  
7 are. And if you compare that figure in this  
8 Update to the one in the original Plan, you'll  
9 see that there's been an increase in the  
10 budget.

11 MR. FOSSUM: Thank you. That's all I  
12 had for this group on that exhibit.

13 CHAIRMAN HONIGBERG: And do you have  
14 any other redirect?

15 MR. FOSSUM: No, I do not.

16 CHAIRMAN HONIGBERG: Do any of the  
17 other counsel out there have redirect for  
18 witnesses in this panel?

19 Mr. Buckley.

20 MR. BUCKLEY: Thank you, Mr.  
21 Chairman. Just a brief clarification of a  
22 couple of points.

23 BY MR. BUCKLEY:

24 Q Mr. Loiter, Commissioner Bailey asked you about

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 the National Standards Practice Manual, and you  
2 went through some explanation of where you  
3 understood had been applied previously. And  
4 you've given the Rhode Island example. Are  
5 there other examples of states that have either  
6 applied the National Standards Practice Manual  
7 and moved towards the Resource Value Framework  
8 or a state-specific test, or maybe are  
9 evaluating that pathway?

10 A (Loiter) Yes. And in my testimony, on Page 21,  
11 I also mention that Connecticut is pursuing a  
12 similar kind of approach. And so, there will  
13 be, you know, further effort to apply this in  
14 other states in New England as examples.

15 Q And there's also I think, maybe on Page 21 of  
16 your testimony, would it be fair to say that  
17 Minnesota has also moved towards this  
18 evaluation?

19 A (Loiter) Yes. Minnesota, yes.

20 Q And just to clarify one more point, there was  
21 some discussion back and forth about whether  
22 the application of the National Standards  
23 Practice Manual, as applied to EE via the  
24 process set forth in the Settlement Agreement,

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1       whether that would apply more broadly to DERs.  
2       And you had given an example of the fact that  
3       Rhode Island had sort of endeavored to have one  
4       equal playing field of a sort of system. Are  
5       you aware of any publications which are maybe  
6       in the planning stages, which might shed some  
7       light on whether this particular application of  
8       the National Standards Practice Manual would  
9       necessarily apply to all DERs?

10    A    (Loiter) Right. Yes. The entity that sort of  
11       sponsored the development of the NSPM, it's  
12       called "E4TheFuture". And they are also  
13       pursuing a more broadly applicable piece of  
14       guidance that would help with applying a  
15       consistent framework across multiple types of  
16       resources.

17               But I think it's important to echo what  
18       Ms. Peters said earlier, which is, at this  
19       time, it's important to stay focused on  
20       efficiency here, and, you know, get it sorted  
21       here. But more complicated -- obviously, it's  
22       more complicated as you draw the boundaries  
23       broader. But, when the time comes, there's  
24       likely to be additional guidance available.

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 Q And one further follow-up relative to a  
2 question that I think was asked by Commissioner  
3 Giaimo regarding the non-wires alternative, the  
4 disposition of that from, as you know, the OCA  
5 submitted some testimony relative to that, and  
6 your testimony mentions it as well, and there's  
7 a provision in the Settlement Agreement.

8 I'm wondering if you'd just very briefly  
9 summarize exactly what's going on there?

10 A Right. In the Settlement Agreement, in Section  
11 L, and again Ms. Peters did touch on this, but  
12 just to amplify it. That part of the Agreement  
13 is that the next least cost IRP filings will  
14 include a "grid needs assessment", and that  
15 will help, again, advance the cause of  
16 understanding how efficiency can serve as a  
17 non-wires alternative. And we think this is,  
18 you know, a good first step and look forward to  
19 seeing that information.

20 Q And, Mr. Loiter, is it your understanding and  
21 interpretation of the Settlement Agreement that  
22 it would preclude pursuit of non-wires  
23 alternatives or a non-wires alternative pilot  
24 elsewhere outside of the 2019 or '20 Updates?

[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 A (Loiter) I don't believe that's precluded, no.

2 MR. BUCKLEY: Thank you. That's all  
3 I have.

4 CHAIRMAN HONIGBERG: Anything else  
5 for the panel?

6 MR. DEXTER: I had one question for  
7 or two questions for Mr. Stachow.

8 CHAIRMAN HONIGBERG: Go ahead, Mr.  
9 Dexter.

10 BY MR. DEXTER:

11 Q Mr. Stachow, there was some questions from the  
12 Bench today about whether or not any particular  
13 issues substantively had been settled in this  
14 Settlement concerning the next triennium.  
15 Could you give your interpretation of the  
16 Settlement as to what's binding on the next  
17 Triennial?

18 A (Stachow) Yes. My understand is that all the  
19 parties will work --

20 *[Court reporter interruption.]*

21 **CONTINUED BY THE WITNESS:**

22 A (Stachow) My understanding is that all the  
23 Parties will work collectively towards reaching  
24 the -- developing the design and reaching a

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 consensus on the '21-23 Plan. And that no one  
2 is precluded from raising an issue about the  
3 design and implementation of that Plan.

4 CHAIRMAN HONIGBERG: Let's go off the  
5 record before the next question.

6 *[Brief off-the-record discussion*  
7 *ensued.]*

8 CHAIRMAN HONIGBERG: Back on the  
9 record. Mr. Dexter.

10 MR. DEXTER: Thank you.

11 BY MR. DEXTER:

12 Q And what you just said is, in fact, included in  
13 the Settlement at Page 14, would you agree with  
14 that?

15 A (Stachow) Yes.

16 MR. DEXTER: Thank you. That's all I  
17 have.

18 WITNESS STACHOW: May I just make one  
19 more comment?

20 MR. DEXTER: Yes.

21 WITNESS STACHOW: If that's  
22 appropriate?

23 CHAIRMAN HONIGBERG: Sure. Mr.  
24 Dexter wants to know if you have any further

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 comment?

2 WITNESS STACHOW: Thank you. Thank  
3 you, Commissioner.

4 **BY THE WITNESS:**

5 A (Stachow) I just -- I remember that there was a  
6 concern expressed about the multiplicity of  
7 work groups and the time-consuming nature of  
8 these work groups and whether they would  
9 achieve their objectives.

10 And if I may express a personal opinion  
11 here, I believe that the working groups were  
12 instrumental in enabling us to cover much more  
13 ground much more rapidly, learn to understand  
14 each other's concerns, tried to reach across  
15 the table to address those concerns, and come  
16 up with recommendations.

17 And I'd like for the Commission to keep  
18 that in mind, perhaps, going forward.

19 CHAIRMAN HONIGBERG: All right.

20 Mr. Burke, what can I do for you?

21 MR. BURKE: If you don't mind, Mr.  
22 Chairman, I just have one follow-up question,  
23 based on a comment that was just raised about  
24 the Agreement and what it speaks to in regard

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1 to the next 3-Year Plan?

2 CHAIRMAN HONIGBERG: Okay.

3 MR. BURKE: It's a question, sorry,  
4 not a comment.

5 CHAIRMAN HONIGBERG: Okay. Go ahead.

6 MR. BURKE: My apologies.

7 **RECROSS-EXAMINATION**

8 BY MR. BURKE:

9 Q Ms. Peters, if you don't mind, if I could just  
10 call your attention to Page 6 of the Settlement  
11 Agreement, Section C.

12 A (Peters) Yes.

13 Q Can you explain the last sentence on that page  
14 and provide your understanding of what impact,  
15 if any, that sentence has on the next  
16 triennium?

17 A (Peters) Certainly. So, we discussed  
18 previously that any underspent funds in the  
19 low-income program will be carried forward into  
20 the future year. In 2019 and 2020, those  
21 unspent funds, should they exist, would be in  
22 addition to the 17 percent minimum that's been  
23 agreed to.

24 Looking forward to the next triennium,

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[WITNESSES: Peters|Carroll|Loiter|Stachow]

1       there's a possibility that that 17 percent  
2       could change or be described in a different  
3       way, and so we used language that says "or  
4       other agreed upon program budget parameters in  
5       future triennium plans." The intention being  
6       that, you know, if perhaps in the year 2020  
7       there was an underspend, that would be carried  
8       forward and applied in a similar manner in the  
9       future triennium.

10               MR. BURKE: Thank you.

11               CHAIRMAN HONIGBERG: All right. If  
12       there's nothing else for this panel, they can  
13       return to their seats.

14               Who's going to be coming up here  
15       next?

16               MR. TAYLOR: My recollection is that  
17       the Commission wanted to hear from Mr. Palma to  
18       address some issues that this panel could not  
19       address.

20               CHAIRMAN HONIGBERG: That would be a  
21       good thing to do now.

22                       *[Brief off-the-record discussion*  
23                       *ensued.]*

24               CHAIRMAN HONIGBERG: Would you swear

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[WITNESS: Palma]

1 the witness in please, Mr. Patnaude.

2 (Whereupon **Thomas Palma** was duly  
3 sworn by the Court Reporter.)

4 CHAIRMAN HONIGBERG: Mr. Taylor.

5 **THOMAS PALMA, SWORN**

6 **DIRECT EXAMINATION**

7 BY MR. TAYLOR:

8 Q Good afternoon, Mr. Palma. Could you please  
9 state for the record your name, the Company  
10 that you work for, your position, and what you  
11 do in furtherance of that position.

12 A My name is Thomas Palma. I work for Unitil  
13 Service Corp. My title is Manager of  
14 Distributed Energy Resources. And I work as a  
15 manager in the Energy Efficiency Department on  
16 program design and planning, as well as I work  
17 with demand programs and distributed  
18 generation.

19 Q And, Mr. Palma, you may recall from the  
20 previous panel some questions regarding the  
21 Demand Response Demonstration Initiative that's  
22 referenced on Page 6 of the Settlement  
23 Agreement?

24 A I do recall the questions, but it would be

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[WITNESS: Palma]

1 helpful if they were repeated.

2 Q Well, you've been identified or you have the  
3 privilege of being identified as the person  
4 who's best to answer the Commission's  
5 questions. And so, do you feel that you can  
6 answer those questions?

7 A To the best of my ability, yes, I can.

8 MR. TAYLOR: No further questions.

9 CHAIRMAN HONIGBERG: All right. Mr.  
10 Palma, we appreciate your doing this  
11 on-the-fly. You can take it up with Ms. Peters  
12 later.

13 Commissioner Giaimo.

14 CMSR. GIAIMO: Good afternoon.

15 WITNESS PALMA: Good afternoon.

16 CMSR. GIAIMO: Thank you for being  
17 here.

18 BY CMSR. GIAIMO:

19 Q The majority of my -- the focus of my question  
20 was, would it be envisioned that this pilot  
21 would participate in the wholesale markets?  
22 Would you imagine that these would be bid into  
23 the energy market and potentially participate  
24 in the capacity market, and other ancillary

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[WITNESS: Palma]

1 markets as well?

2 A So, this particular pilot is modeled after the  
3 two years of demonstrations in Massachusetts,  
4 as well as Massachusetts Program Administrator  
5 just filed to have demand -- C&I demand be  
6 regular offerings in the 2019 to '21 Plan.

7 The model we use down there, I've been on  
8 the demand team in Massachusetts for the whole  
9 time, is that we use a concept of "stackable"  
10 benefits or "stackable" revenue streams for  
11 customers. And the last stack is the utility  
12 incentive, to sort of cap off the top. And in  
13 all these different streams, the customers may  
14 be asked or really volunteer to do something  
15 different as far as shedding their load. And  
16 for us, we're following the ISO -- we're really  
17 looking at the ICAP. So, it's roughly six days  
18 per year, mostly in the summer, and three hours  
19 at a time. So, we're really looking at about  
20 18 hours per customer.

21 So, to answer your question, we decided in  
22 Massachusetts, and I believe we're following  
23 suit in New Hampshire, we're letting the  
24 customers deal with bidding into the markets.

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[WITNESS: Palma]

1 It got to be too complex for us to work with  
2 those as a group in Massachusetts. And that's  
3 why we've made our incentive to be at a level,  
4 kind of assuming that they're going to do that  
5 anyway. And that we're really the icing on the  
6 cap -- on the cap, ICAP, to make -- have them  
7 benefit by joining us in doing an ICAP program,  
8 versus what other programs that they have lined  
9 up.

10 Q That's very helpful. Ms. Peters just mentioned  
11 that she believes -- or, that Eversource  
12 believes they will have ten customers  
13 participating. Do you have any number with  
14 respect to how many UES customers?

15 A It could be between four and six, roughly. It  
16 really depends. The first customer could be  
17 the biggest -- a big customer that we're not  
18 thinking of that could take up the whole  
19 budget. So, it's really -- it's sort of we're  
20 just getting into it now, so we're sort of in  
21 that four to six range.

22 Q Okay. And as you are not necessarily going to  
23 aggregate for bidding into the wholesale  
24 product [market?], you don't necessarily have

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[WITNESS: Palma]

1 to worry about whether or not your resources  
2 are in the same dispatch zone. And these are  
3 the Seacoast and the Capitol District are --

4 A Makes no difference.

5 *[Court reporter interruption.]*

6 BY CMSR. GIAIMO:

7 Q So, the two zones, the Seacoast and the rest of  
8 New Hampshire are two different zones?

9 A That is correct.

10 CMSR. GIAIMO: That's it.

11 CHAIRMAN HONIGBERG: All right. I  
12 think Commissioner Bailey has questions related  
13 to predicting the cap -- I'm sorry --  
14 predicting the peak.

15 BY CMSR. BAILEY:

16 Q So, can you tell me how the peak is predicted  
17 in Massachusetts?

18 A I can honestly tell you I am not that familiar  
19 with that piece. But I do know that the  
20 companies, the vendors themselves have  
21 analytics that do the work, as well as there  
22 are consultants that a couple of the program  
23 administrators in Massachusetts have hired.  
24 And it's basically along the lines of what I'm

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[WITNESS: Palma]

1 describing here is similar to what Mr. Loiter  
2 said when he was on the panel, that the  
3 methodologies aren't -- they're not brand new,  
4 they have been around for a while. But Unitil,  
5 itself, doesn't have the expertise to do that.

6 Q Does Unitil pay for that expertise?

7 A So, Unitil has not -- we actually had a  
8 discussion with one of our vendors last week,  
9 as well as one of the other vendors, and we  
10 would be getting, if we chose to go through  
11 that vendor, we would not have to pay. If we  
12 chose to go through a consultant, we would have  
13 to pay.

14 Q So, who hires the vendors?

15 A So, the vendors are hired by -- so, the vendors  
16 work for, you know, we put a vendor on the  
17 contract, and the vendor that we're looking at,  
18 or vendors, hopefully bring something to the  
19 table, which is customers that they're already  
20 doing something with, which is some other ISO  
21 program. And they have -- some of these  
22 vendors have contractual relationships already,  
23 so they bring -- they then get hired by us.  
24 And some vendors do it one way and some do it

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[WITNESS: Palma]

1 another way. They like to get paid, right?  
2 One of our vendors will take our incentive, and  
3 then they split off a portion and give it to  
4 the customer. But the big money for the  
5 customer in savings is hitting the ICAP. It's  
6 not so much that our incentive is the biggest  
7 chunk of it.

8 Another vendor that we work with actually  
9 would pass through the whole incentive, but  
10 they take a percentage of the ICAP savings.

11 So, vendors do it different ways. I'm  
12 only familiar with those two vendors that we're  
13 working with today.

14 Q So, the way the program works, the C&I  
15 customers interested in reducing their capacity  
16 tag, and they hire the vendor and --

17 A It could go either way. The vendor could do  
18 marketing out to those customers, and they  
19 would do it with -- so, there's really -- it's  
20 a double hire. In other words, we'll hire the  
21 vendor, because we have internal contractual  
22 obligations, as far as indemnity and other  
23 reasons why we want to put people under  
24 contract, plus to agree on why are we going to

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[WITNESS: Palma]

1 pay them this incentive that they're then going  
2 to take and pass through. So, that's vendor  
3 one. But they also sign a contract with the  
4 customer, which is normally a three-year  
5 contract, sometimes two years.

6 So, it's not much different than we do in  
7 energy efficiency, where sometimes, you know,  
8 we hire small business vendors, Unitil does,  
9 and have them under contract. But then, when  
10 they get an actual project, they put the  
11 customer under contract. So, it's a similar --  
12 it's not an unusual arrangement.

13 Q So, what Unitil does to promote this is offers  
14 an incentive?

15 A Yes.

16 Q In addition to the reduction that comes along  
17 with reducing your capacity tag?

18 A Assuming the customer -- assuming whoever's  
19 doing the calling hits the capacity tag hour,  
20 as well as the customer does the shedding on  
21 that particular hour. So, if they decided, of  
22 the six days we called, to take one day off,  
23 they could be throwing away a big bulk of the  
24 funds that they could make. But, if they have

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[WITNESS: Palma]

1 a business reason to take that day off, you  
2 know, they make potato chips, and that's the  
3 potato chip day, then they have to do what they  
4 have to do.

5 Q Do you let customers -- no. So, you -- strike  
6 that.

7 CMSR. BAILEY: I think I understand.

8 Thank you.

9 BY CMSR. GIAIMO:

10 Q So, what type of measures would one of your  
11 customers do under the program? Would it be  
12 aggregating lighting load, so that, when the  
13 peak is called, every third light bulb goes  
14 off? What do you imagine the program looking  
15 like with respect to what a customer  
16 expectation would be?

17 A There are some lighting, you know, there may be  
18 a way to dim the lights, or, if they want to  
19 get sophisticated, they could put in more  
20 controls than what they already have. But, if  
21 you're really looking at this as a new  
22 investment, if a customer looks and says "since  
23 there's no capital investment, we're not doing  
24 anything like that", you would be shifting like

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[WITNESS: Palma]

1 manufacturing runs to Saturday, and they have  
2 to pay time and a half for a few people, but  
3 they're shifting off -- they're basically  
4 shedding off around those hours as much as  
5 possible. It could be lighting, it could be  
6 compressors. They could, you know, decide, you  
7 know, "we don't need compressed air today,  
8 let's push it off a few hours." It's a  
9 mixture.

10 CMSR. GIAIMO: Thank you.

11 **CONTINUED BY THE WITNESS:**

12 A So, everyone has a specific plan. And that's  
13 where the vendors help out, as well as we do.

14 CMSR. GIAIMO: Thanks again for being  
15 here.

16 CHAIRMAN HONIGBERG: All right. I  
17 don't have any additional questions. I assume  
18 no one else does, although I suspect  
19 Mr. Sheehan and Ms. Tebbetts have been  
20 listening carefully to what you've been saying.

21 Thank you, Mr. Palma. I think you  
22 can return to your seat.

23 Who's next?

24 MR. FOSSUM: I believe, to the

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[WITNESSES: Hawes|Mineau|Nixon|Cunningham]

1 Chairman of "what would be next?", would be  
2 those witnesses who are not part of the panel,  
3 but whose testimony needs to be adopted, just  
4 in case there are any questions for them.

5 CHAIRMAN HONIGBERG: All right.  
6 Let's go off the record.

7 *[Brief off-the-record discussion*  
8 *ensued.]*

9 CHAIRMAN HONIGBERG: All right.  
10 We've got the four witnesses who sponsored  
11 testimony that are Exhibits 13, 14, 16, and 17.

12 Mr. Dexter, would you walk these  
13 witnesses through the process, after  
14 Mr. Patnaude swears them in.

15 MR. DEXTER: Yes.

16 (Whereupon **Ellen Hawes,**  
17 **Madeleine Mineau,**  
18 **Elizabeth R. Nixon,** and  
19 **James J. Cunningham, Jr.** were  
20 duly sworn by the Court  
21 Reporter.)

22 CHAIRMAN HONIGBERG: Mr. Dexter.

23 MR. DEXTER: Thank you.

24 **ELLEN HAWES, SWORN**

[WITNESSES: Hawes|Mineau|Nixon|Cunningham]

1                   **MADELEINE MINEAU, SWORN**

2                   **ELIZABETH R. NIXON, SWORN**

3                   **JAMES J. CUNNINGHAM, JR., SWORN**

4                   **DIRECT EXAMINATION**

5 BY MR. DEXTER:

6 Q       I'm going to start with Mr. Cunningham, because  
7       I think the witnesses have seated themselves in  
8       numerical order according to their exhibits, if  
9       I start at that end.

10           So, starting with Mr. Cunningham, and I'm  
11       going to ask one question, and then I would ask  
12       you all four to answer it sequentially. Could  
13       you please state your name, your employer, and  
14       your position please. Mr. Cunningham?

15 A       (Cunningham) My name is James J. Cunningham,  
16       Junior. And my position here is a Utility  
17       Analyst in the Electric Division.

18 A       (Nixon) My name is Elizabeth R. Nixon. I'm a  
19       Utility Analyst at the Public Utilities  
20       Commission in the Electric Division.

21 A       (Mineau) My name is Madeleine Mineau. I'm the  
22       Executive Director of the New Hampshire  
23       Sustainable Energy Association.

24 A       (Hawes) My name is Ellen Hawes. I'm a Senior

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[WITNESSES: Hawes|Mineau|Nixon|Cunningham]

1 Policy Analyst for Acadia Center.

2 Q And did you, all four of you, submit prefiled  
3 testimony in this proceeding?

4 A (Cunningham) Yes, we did. I did.

5 A (Nixon) Yes, I did.

6 A (Mineau) Yes.

7 A (Hawes) Yes.

8 Q And do you have any corrections to make to that  
9 testimony at this time?

10 A (Cunningham) No, I do not.

11 A (Nixon) No, I do not.

12 A (Mineau) No.

13 A (Hawes) No.

14 Q And if I were to ask you the questions  
15 contained in your prefiled direct testimony at  
16 this time, would your answers be the same as  
17 those contained therein?

18 A (Cunningham) Yes, they would.

19 A (Nixon) Yes.

20 A (Mineau) Yes.

21 A (Hawes) Yes, they would.

22 Q And do you adopt those answers as your sworn  
23 testimony in this proceeding?

24 A (Cunningham) Yes, I do.

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[WITNESSES: Hawes|Mineau|Nixon|Cunningham]

1 A (Nixon) Yes, I do.

2 A (Mineau) Yes, I do.

3 A (Hawes) Yes, I do.

4 MR. DEXTER: Well, that completes my  
5 questions.

6 CHAIRMAN HONIGBERG: Thank you all.  
7 We have no questions for you. We appreciate  
8 your doing this.

9 Mr. Fossum, we ready for the second  
10 panel now, what you referred to earlier as the  
11 "second panel"?

12 MR. FOSSUM: Second, third, whatever.

13 CHAIRMAN HONIGBERG: Whatever.

14 MR. FOSSUM: But, yes.

15 CHAIRMAN HONIGBERG: Mr. Patnaude,  
16 would you do the honors please.

17 (Whereupon **Christopher J.**  
18 **Goulding, Karen M. Asbury,**  
19 **Heather M. Tebbetts,** and  
20 **Carol M. Woods** were duly sworn  
21 by the Court Reporter.)

22 CHAIRMAN HONIGBERG: All right.  
23 Who's going to be taking the lead on  
24 questioning? Mr. Fossum?

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[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1 MR. FOSSUM: I suppose so.

2 CHAIRMAN HONIGBERG: You may proceed.

3 MR. FOSSUM: So, we'll begin by  
4 essentially going through the same exercise  
5 that the last group had gone through.

6 **CHRISTOPHER J. GOULDING, SWORN**

7 **KAREN M. ASBURY, SWORN**

8 **HEATHER M. TEBBETTS, SWORN**

9 **CAROL M. WOODS, SWORN**

10 **DIRECT EXAMINATION**

11 BY MR. FOSSUM:

12 Q So, to get everybody on the record, I guess  
13 we'll start with Ms. Tebbetts. And it would be  
14 the same question to you all. Could you please  
15 state your name, your place of employment, and  
16 your responsibilities for the record.

17 A (Tebbetts) Yes. My name is Heather Tebbetts.  
18 And I work for Liberty Utilities Service  
19 Company. I'm the Manager of Rates and  
20 Regulatory Affairs. And my role is strategy  
21 and policy for Granite State Electric and  
22 EnergyNorth Natural Gas.

23 A (Woods) My name is Carol Woods. And I work for  
24 New Hampshire Electric Cooperative. My

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[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1 position is Energy Solutions Executive. And I  
2 am responsible for regulatory support for the  
3 Company's energy efficiency programs.

4 CHAIRMAN HONIGBERG: Off the record.

5 *[Brief off-the-record discussion*  
6 *ensued.]*

7 **BY THE WITNESS:**

8 A (Goulding) My name is Christopher Goulding,  
9 employed by Eversource Energy Company, in  
10 Manchester, New Hampshire. And I'm in charge  
11 of the revenue requirement calculations  
12 associated with the Energy Service rates,  
13 Stranded Cost Recovery Charge rates, SBC rate,  
14 and TCAM rate.

15 A (Asbury) My name is Karen Asbury. I'm Director  
16 of Regulatory Services for Unitil Service Corp.  
17 My primary responsibilities include rate  
18 calculations and rate-related filings before  
19 the Commission.

20 BY MR. FOSSUM:

21 Q And for each of you, did you, back on  
22 September 14th, and included in what has been  
23 premarked for identification as "Exhibit 10",  
24 submit testimony?

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[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1 A (Tebbetts) Yes.

2 A (Woods) Yes.

3 A (Goulding) Yes.

4 A (Asbury) Yes.

5 Q And do you have any changes or updates or  
6 corrections to that testimony today?

7 A (Tebbetts) No.

8 A (Woods) I don't.

9 A (Goulding) No.

10 A (Asbury) Unitil made corrections that were part  
11 of discovery. We revised our electric SBC  
12 calculations in response to Staff 2-54. And we  
13 made revisions to the gas rate calculations in  
14 response to Staff 2-36.

15 And I will note that, for gas, the final  
16 rate calculations were approved in the  
17 Company's cost of gas and Local Distribution  
18 Adjustment Charge filing, and the rate  
19 calculations have been subsequently revised  
20 pursuant to the Settlement.

21 Q So, just for clarity, so those I'll call them  
22 "interim" calculations are not -- are not part  
23 of either this initial Plan or the Settlement  
24 or -- or, are not in the Plan and are not part

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[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1 of the Settlement specifically?

2 A (Asbury) That is correct.

3 Q One last question, I guess, down the line. Do  
4 each of you adopt the testimony that was filed  
5 back with the initial Plan as your testimony  
6 for this proceeding?

7 A (Tebbetts) Yes.

8 A (Woods) Yes.

9 A (Goulding) Yes.

10 A (Asbury) Yes.

11 Q Now, and I'll direct this to the panel, and  
12 whoever feels can most appropriately answer it,  
13 please do. Well, I guess I'll do this  
14 collectively again down the line, starting with  
15 Ms. Tebbetts again. Did each of you  
16 participate in the settlement discussions and  
17 negotiations that led to the Agreement that is  
18 under review by the Commission today?

19 A (Tebbetts) Yes.

20 A (Woods) Yes.

21 A (Goulding) Yes.

22 A (Asbury) Yes.

23 Q And as part of those settlement discussions and  
24 the Settlement that's before the Commission,

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[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1 are you each familiar with the SBC calculations  
2 that were required?

3 A (Tebbetts) Yes.

4 A (Woods) Yes.

5 A (Goulding) Yes.

6 A (Asbury) Yes.

7 Q Okay. And now, I'm turning to whoever among  
8 you might be the most appropriate, rather than  
9 run down the line necessarily. Do you have in  
10 front of you what has been marked for  
11 identification as "Exhibit 19"?

12 A (Tebbetts) Yes.

13 A (Woods) Yes.

14 A (Goulding) Yes.

15 Q And could you please explain what it is that is  
16 shown on and contained within Exhibit 19?

17 A (Goulding) Sure. I'll go ahead. What  
18 Exhibit 19 is is, as a result of the budget  
19 change and the SBC change, these are updated  
20 SBC calculations for each of the utilities;  
21 PSNH, Liberty, Unitil, and the Co-op. And then  
22 there's also company bill impacts that were  
23 performed as part of the initial package.

24 Q And so, essentially, would it be correct to say

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[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1       what's presented here are updated calculations  
2       of the SB -- calculations that update the  
3       numbers from the initial filing to take into  
4       account what occurred in the Settlement?

5   A     (Goulding) That's correct.

6   Q     And would -- and these calculations pertain to  
7       rates that are requested for the Commission to  
8       approve, is that correct?

9   A     (Goulding) Yes. These are the proposed rates  
10       for effect January 1st, 2019.

11   Q     And I suppose I should ask this of each of you.  
12       Is it your position then that the rates as  
13       calculated in Exhibit 19 are just and  
14       reasonable rates and that they should be  
15       approved?

16   A     (Tebbetts) Yes.

17   A     (Woods) Yes.

18   A     (Goulding) Yes.

19   A     (Asbury) Yes.

20               MR. FOSSUM: Thank you. That's what  
21       I have for direct.

22               CHAIRMAN HONIGBERG: All right. Do  
23       any of the others have questions for the panel?

24               I see Mr. Sheehan. Anybody else?

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[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1                                   [No verbal response.]

2                           CHAIRMAN HONIGBERG:   Mr. Sheehan, you  
3                   may proceed.

4                           MR. SHEEHAN:   Thank you.

5   BY MR. SHEEHAN:

6   Q     Ms. Tebbetts, I just wanted to incorporate  
7           Liberty's gas rates into this conversation.  In  
8           the original filing was a section that included  
9           testimony from Mr. Simek and Ms. McNamara about  
10          adjustments to the LDAC to incorporate what  
11          are, in effect, energy efficiency rates, is  
12          that correct?

13   A     (Tebbetts) Yes.

14   Q     And is it your understanding that the  
15           Commission approved the energy efficiency rates  
16           in the most recent cost of gas filing a couple  
17           months ago?

18   A     (Tebbetts) Yes.  Those rates are for effect  
19           November 1st, 2018.

20   Q     And so, and those would be the rates that  
21           would, in effect, fund the projects, the gas  
22           projects, for this upcoming year?

23   A     (Tebbetts) Yes.

24                           MR. SHEEHAN:   Thank you.  That's all

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[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1 I have.

2 CHAIRMAN HONIGBERG: And, Mr. Taylor,  
3 does Ms. Asbury's earlier answer, in response  
4 to Mr. Fossum, cover the same ground for  
5 Unitil?

6 MR. TAYLOR: I believe so. But I'll  
7 ask -- I'll direct the question to Ms. Asbury.

8 WITNESS ASBURY: Yes. That covers  
9 the same ground.

10 CHAIRMAN HONIGBERG: All right. Any  
11 other questions for the panel from those out  
12 there among the parties?

13 MR. BUCKLEY: No.

14 CHAIRMAN HONIGBERG: Commissioner  
15 Bailey, do you have any questions?

16 BY CMSR. BAILEY:

17 Q Mr. Goulding, since Eversource is on top, can  
18 you just take me through the schedules at a  
19 high level? So, the first schedule is the new  
20 SBC rate for Eversource, and that's going to be  
21 0.586 cents per kilowatt-hour?

22 A (Goulding) Yes. That's correct.

23 Q Okay. And do you know off the top of your head  
24 what it is right now?

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[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1 A (Goulding) 0.455 cents.

2 Q Okay. And then the next couple of pages are  
3 just the components of that?

4 A (Goulding) Yes. It's a reconciliation of 2018  
5 activity, and then forecasted 2019 activity.  
6 That's on Bates Page 002 and Bates Page 003.  
7 Bates --

8 Q Well, wait. Wait. Before you go on, the  
9 reconciliation that's on just Bates Page 002?

10 A (Goulding) Yes.

11 Q And you under-collected by 0.275 cents per  
12 kilowatt-hour?

13 A (Goulding) 0.275 cents was just the energy  
14 efficiency SBC rate in 2018. Then, there was  
15 the 0.150 cents low income EAP portion of the  
16 rate. And I think it was 0.030 was the LBR and  
17 SBC portion, --

18 Q Oh.

19 A (Goulding) -- to get you to the --

20 *[Court reporter interruption.]*

21 **CONTINUED BY THE WITNESS:**

22 A (Goulding) -- 0.455 cents that's currently in  
23 effect.

24 BY CMSR. BAILEY:

[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1 Q So, how does this show the reconciliation on  
2 Page 2?

3 A (Goulding) Line 1 to 5 of Page 2 is the total  
4 revenues that are coming in, between the SBC  
5 revenues, the RGGI revenues, forward capacity  
6 revenues, and other revenues. Then you have  
7 the "Program Expenses" on Line 6. And then you  
8 have the "Current Month (Over)/Under Recovery"  
9 on Line 8.

10 But, if you look down on Line Number 9,  
11 all the way at Column N, there's a \$533,000  
12 under recovery. And we have \$148,000 of  
13 interest. So, the net under recovery is  
14 \$386,000 forecasted for the year.

15 Q Is that \$386,000 number somewhere on this page?

16 A (Goulding) It's the sum of the 533 and the 148.

17 Q So, it's not shown?

18 A (Goulding) So, Column N, Line 9, plus Column O,  
19 Line 11.

20 Q I see those two numbers. But the sum of those  
21 two numbers is not on this page?

22 A (Goulding) No, it's not.

23 Q So, you over -- no. You under-collected by 360  
24 something thousand dollars, is that right?

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[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1 A (Goulding) We're under-collected by \$386,000.  
2 That's our forecasted under recovery at the end  
3 of the year.

4 Q And that under recovery is included in next  
5 year's System Benefit Charge rate?

6 A (Goulding) Yes.

7 Q Okay. So, going back to the first page, 0.586  
8 is the total System Benefits Charge, which  
9 includes energy efficiency, low income, and  
10 what was the third? Oh, lost base revenue?

11 A (Goulding) Yes.

12 Q And what is the rate for just energy  
13 efficiency? Is that the 0.373?

14 A (Goulding) It's the 0.373, which last year  
15 was 0.27 -- or, currently is 0.275.

16 CMSR. BAILEY: Okay. All right.

17 Thank you.

18 CHAIRMAN HONIGBERG: Commissioner  
19 Giaimo?

20 CMSR. GIAIMO: None.

21 CHAIRMAN HONIGBERG: I have no other  
22 questions for the panel.

23 Do you have any follow-up?

24 MR. FOSSUM: Just one for

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[WITNESSES: Goulding|Asbury|Tebbetts|Woods]

1 Mr. Goulding, I'm hoping it clarifies.

2 **REDIRECT EXAMINATION**

3 BY MR. FOSSUM:

4 Q Mr. Goulding, looking at Bates Page 002, the  
5 under-collection that you had just discussed  
6 with Commissioner Bailey, you said was -- how  
7 much was that again, could you remind us?

8 A (Goulding) \$386,000.

9 Q Turning to Bates Page 003, is that  
10 under-collection shown anywhere on that page?

11 A (Goulding) Yes. In Column B, Line 9, on Bates  
12 Page 003, is the \$386,000, that's carrying over  
13 from Bates Page 002.

14 Q So, that that number is shown in this  
15 calculation as carrying over into next year?

16 A (Goulding) Yes. And it also shows up on Bates  
17 Page 001, in Column F.

18 MR. FOSSUM: Thank you.

19 CHAIRMAN HONIGBERG: All right. I  
20 think -- all right. So, I think we're done  
21 with this panel. You all can return to your  
22 seats.

23 There are no other witnesses,  
24 correct?

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1 MR. FOSSUM: Correct.

2 CHAIRMAN HONIGBERG: All right. So,  
3 we will, without objection, strike ID on  
4 Exhibits 10 through 20.

5 And if there's nothing else, we will  
6 have the parties sum up. And I think what  
7 we'll do is we will take the folks on my right,  
8 from back to front, and then have the utilities  
9 sum up last.

10 So, Mr. Burke, why don't you start us  
11 off.

12 MR. BURKE: Sure. Thank you. Mr.  
13 Chairman, Commissioners, The Way Home supports  
14 the Settlement Agreement presented to you  
15 today, and respectfully requests that the  
16 Commission approve this Agreement.

17 The Way Home believes that this  
18 Settlement Agreement is just and reasonable and  
19 in the public interest, and that the Agreement  
20 should be approved for the following reasons:  
21 First, the Agreement will provide needed energy  
22 efficiency services for all ratepayers. But,  
23 in particular, the Home Energy Assistance  
24 Program will provide necessary weatherization

1 and energy efficiency services for low-income  
2 customers, which will help make their utility  
3 bills more affordable.

4 And, importantly, the 2019 HEA budget  
5 has been maintained with a slight increase.  
6 And this funding is very much needed, in order  
7 to address the large waiting list for  
8 low-income weatherization services around the  
9 state. And in order to tackle these waiting  
10 lists, as you've heard, this Agreement makes  
11 clear that, starting in 2018, any HEA funding  
12 that is not spent in a given program year will  
13 be carried forward to a subsequent program  
14 year. And this ensures that the funding  
15 dedicated to low-income ratepayers will remain  
16 in the HEA Program.

17 We'd also like to highlight the  
18 funding that you heard about for building  
19 capacity in the HEA Program. And The Way Home  
20 believes that this funding will help New  
21 Hampshire reach its low-income energy  
22 efficiency goals, and ensure that program  
23 funding continues to reach those who need it  
24 the most.

1           The HEA Program will also contribute  
2           to improved levels of health, safety, and  
3           comfort for low-income families and  
4           individuals. And The Way Home believes that  
5           this, the proposal to incorporate a separate  
6           low-income adder for 2019 and 2020, ensures  
7           that New Hampshire more accurately accounts for  
8           these benefits in its cost-effectiveness  
9           analysis.

10           The Way Home would like to take this  
11           opportunity to thank the utilities, the PUC  
12           Staff, and the other Settling Parties for again  
13           working together in a separate of compromise  
14           and consensus in arriving at this important  
15           Settlement Agreement. And we look forward to  
16           continue working with the Settling Parties and  
17           other stakeholders in 2019, at both the  
18           quarterly meetings and in the working groups,  
19           in order to continue building on the  
20           achievements that have been made.

21           Thank you.

22           CHAIRMAN HONIGBERG: Thank you,  
23           Mr. Burke. Ms. Ohler.

24           MS. OHLER: Thank you, Mr. Chairman.

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1       On behalf of the Department of Environmental  
2       Services, we are in complete agreement that the  
3       terms of the Settlement are in the best  
4       interests -- is this not working? -- are in the  
5       best interests of not only the interests of the  
6       various entities here, but for the ratepayers  
7       of New Hampshire.

8               I come at this wearing sort of two  
9       hats: One as the current Vice Chair and  
10      incoming Chair of the EESE Board, and the other  
11      as the staff of the Department of Environmental  
12      Services.

13             And from the EESE Board's  
14      perspective, we appreciate the additional  
15      funding for the stakeholder planning  
16      consultant, which will help the EESE Board  
17      really become the enhanced stakeholder board,  
18      which it is tasked with being. And we look  
19      forward to having a consultant to help the  
20      Board and its EERS Committee with that work.

21             From the aspect of pollution  
22      prevention, particularly supportive of the --  
23      and looking forward to seeing the results of  
24      the Energy Optimization Study, otherwise

1 sometimes it's referred to as "fueling  
2 switching" in some areas. In addition to the  
3 potential to lower electric rates, energy  
4 optimization can have significant environmental  
5 benefits. Space heating and water heating  
6 using fossil fuels, particularly oil, is a  
7 significant source of air pollution, including  
8 oxides of nitrogen that contribute to ozone and  
9 smog, particulate pollution that can have very  
10 direct harmful impacts to local populations,  
11 and greenhouse gases that contribute to climate  
12 change. Electrifying these sources can reduce  
13 emissions of all of these pollutants.

14 Likewise, with the Demand Response  
15 Pilot Program, a successful demand response  
16 program could have significant emission  
17 reduction potential, due to the fact that the  
18 peaking plants tend to be the older and higher  
19 emitting units. And to the extent that demand  
20 response can reduce the usage of those older  
21 units, it will potentially have significant air  
22 quality benefits.

23 Thank you.

24 CHAIRMAN HONIGBERG: Thank you, Ms.

1 Ohler. Ms. Mineau.

2 MS. MINEAU: Thank you,  
3 Commissioners. NHSEA also supports the  
4 Settlement as filed, and urge you to accept it  
5 as well. We are particularly enthusiastic  
6 about the proposed demand response program. As  
7 Ms. Ohler just mentioned, peak demand reduction  
8 has great benefits, both in reduced system  
9 costs, as well as use of the dirtiest peaker  
10 plants.

11 We are also happy to see increased  
12 support for low-income energy efficiency  
13 programs that will provide benefits to those  
14 who have the biggest energy burdens.

15 As well as the creation of a clear  
16 path and schedule for these parties to begin  
17 work on the next triennium plan.

18 And as the incoming Vice Chair of the  
19 EESE Board, I also support additional  
20 consultant support, so that that Board can do  
21 some important work and contribute to the  
22 development of the next triennium plan.

23 CHAIRMAN HONIGBERG: Thank you, Ms.  
24 Mineau. Ms. Hawes.

1 MS. HAWES: Thank you, Commissioners.  
2 Acadia Center fully supports the Settlement  
3 Agreement presented today. We believe the 2019  
4 Plan Update provides a strong foundation for  
5 developing the next 3-Year Plan with adequate  
6 data and stakeholder support.

7 We look forward to working with the  
8 other Settling Parties in the coming two years  
9 to further put New Hampshire on the path  
10 towards all cost-effective efficiency.

11 Thank you.

12 CHAIRMAN HONIGBERG: Thank you,  
13 Ms. Hawes. Ms. Birchard.

14 MS. BIRCHARD: Thank you. As the  
15 Consumer Advocate pointed out in the prehearing  
16 conference for this matter, New Hampshire's  
17 energy efficiency programs are currently not  
18 well-ranked; indeed, we are the lowest ranked  
19 state in the broader region.

20 What this means is that we are paying  
21 more than we need to, and we are not as healthy  
22 and productive as we should be. Our low-income  
23 communities are not benefiting as much as they  
24 should, and we are simply falling behind.



1           Mr. Loiter stated on the stand as  
2           that other states -- that as other states  
3           surpass New Hampshire, we are left paying a  
4           higher share of regional grid costs. Those are  
5           substantial costs.

6           Those in this room, and some who are  
7           not present, have been working very hard to  
8           improve the state's energy efficiency services  
9           and offerings. I am optimistic that this hard  
10          work is starting to move us towards where we  
11          need to be.

12          There is much more work to do. This  
13          Settlement Agreement today indicates our  
14          collective commitment to continuing this work.  
15          We will do this through working groups, via the  
16          EESE Board and its EERS Committee, and through  
17          additional planning and further negotiations.

18          It is, frankly, essential that we  
19          crack this nut. It is doable, it is necessary,  
20          and we are looking forward to making it happen.

21          The Conservation Law Foundation fully  
22          supports this Settlement Agreement now before  
23          the Commission, and urges its approval. I  
24          won't repeat what those have said before me,

1 but I am in complete agreement.

2 I would also like to thank the  
3 Commission for its resolve to prioritize and  
4 strengthen energy efficiency programs in the  
5 State of New Hampshire.

6 Thank you.

7 CHAIRMAN HONIGBERG: Thank you,  
8 Ms. Birchard. Mr. Buckley.

9 MR. KREIS: Actually, I think Mr.  
10 Buckley is going to let me offer a closing  
11 peroration, if that would be okay with the  
12 Commission. And here it is.

13 You know, we've already heard that  
14 Shakespeare has counseled against gilding the  
15 lily. But it was another famous Englishman,  
16 Oscar Wilde, who famously observed that  
17 "Romance should never begin with sentiment. It  
18 should begin with science and end with a  
19 settlement". And this little phase of this  
20 docket, the 2019 Plan Update, was such a  
21 romance.

22 This Settlement carries the state's  
23 Energy Efficiency Resource Standard forward,  
24 and therefore it warrants approval by the

Commission.

There are several benefits of note that I would like to highlight that I think are especially good for the residential customers of utilities that my office represents.

The fact that the utilities were willing to revise the budgets upward, to bring them back to where they were back when the utilities were relying on earlier forecasts of savings. That's important, because we can't afford to lose ground in lights of the limitations that House Bill 317 places on the ability of the Commission to increase the System Benefits Charge. And the extra money that has been allocated as a result is well spent on stuff like education, new demand response initiatives, and additional consulting resources for stakeholders, especially the EESE Board, not just because Ms. Mineau is now the Vice Chair, but because the EESE Board is truly well-poised at this point to take on the full responsibility and credibility of being an enhanced stakeholder board.

Carrying forward of underspent monies

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1 in the income eligible programs into future  
2 years is really going to help low-income  
3 customers.

4 The fact that the Performance  
5 Incentive Working Group is working on a pilot  
6 related to peak demand reduction will be really  
7 good for residential customers.

8 And the fact that the utilities had  
9 agreed to pursue, and I love this word, with  
10 "rigor" the identification of a consultant to  
11 help the Finance & Funding Working Group. We  
12 have been in quest, for at least as long as I  
13 have been the Consumer Advocate, of new and  
14 creative opportunities for leveraging outside  
15 sources of funding to supplement the ratepayer  
16 funds that we applied to the EERS, and it's  
17 been a struggle. And we need to achieve a  
18 breakthrough. And I think that that recourse  
19 to a consultant might be the path to that  
20 breakthrough.

21 The work of the Evaluation,  
22 Measurement & Verification Working Group goes  
23 forward, it will be hiring a consultant to  
24 review the benefit/cost test, in light of the

1 National Standard Practices Manual framework.  
2 That is such an important effort. The National  
3 Standard Practices Manual is just a fabulous  
4 document that really challenges all of us to  
5 rethink the way that we assess the costs and  
6 the benefits of energy efficiency. And I think  
7 that taking a hard look at what the NSPM is  
8 asking us to do will be a really valuable  
9 effort.

10 The fact that there will be an Energy  
11 Optimization Study, so that we can incorporate  
12 the benefits of fuel switching into our energy  
13 efficiency programs and the cost/benefit  
14 analysis is really important, as is the fact  
15 that there will be an Energy Efficiency  
16 Potential Study. Energy efficiency has its  
17 skeptics in this state, and the extent to which  
18 we can present those skeptics with hard  
19 evidence of the potential that energy  
20 efficiency has will be all to the good from a  
21 residential ratepayer perspective.

22 Page 14 of the Settlement Agreement  
23 says, and I think I'm quoting exactly here, "No  
24 party is precluded from raising issues

1        regarding plans for the next triennium,  
2        including whether an independent party should  
3        administer the 2021 through 2023 statewide  
4        energy efficiency programs." I want to say a  
5        few things about that language.

6                The first thing I want to say is that  
7        the Office of the Consumer Advocate has no  
8        intention to seek the ouster of the utilities  
9        as the program administrators of the Energy  
10       Efficiency Resource Standard.

11               While it's true that third party  
12       administration works well in some of our  
13       neighboring states, it is also true that here,  
14       and elsewhere around the country, the utility  
15       delivery model has a proven record of success.

16               And it hasn't escaped our notice, not  
17       should it escape anyone else's notice, that  
18       among those proven success record states is  
19       Massachusetts, which happens to be ranked as  
20       the number one state for energy efficiency, and  
21       it also happens to be a state in which our  
22       largest electric utility, as well as Unitil,  
23       both operate. So, we have every reason to  
24       suppose and assume that the kind of excellence

1       that Massachusetts has achieved is also  
2       achievable here in New Hampshire.

3               But, to invoke Shakespeare again,  
4       here's the rub: Delivery of energy efficiency  
5       programs is not part of the electric utilities'  
6       or the natural gas utilities' franchises. It's  
7       outside the so-called "utility compact" by  
8       which utilities take on the obligation to serve  
9       customers in exchange for a virtual guarantee  
10      of a return on investment.

11              So, it is not appropriate for  
12      utilities to assume that they simply have the  
13      right to administer these programs. They have  
14      to earn that right. And you, meaning the  
15      Commission, have to conclude that continuing to  
16      rely on the utilities as public -- as program  
17      administrators is in the public interest.

18              Also, while we have no plans to try  
19      to effect a paradigm shift with respect to  
20      program administration, there could be room, at  
21      the margins at least, for third party  
22      administration of some System Benefits Charge  
23      funded initiatives. Like, for example,  
24      non-wires alternative projects, speaking of

1       which, Section L of the Settlement Agreement,  
2       at Page 9, talks about "non-wires  
3       alternatives".

4               We have agreed that non-wires  
5       alternatives will not turn up in the 2020 Plan  
6       Update. This goes to the concern that  
7       Commissioner Giaimo was I think raising, and  
8       that I think we might have triggered, that  
9       there was some confusion going into this update  
10      docket or this update phase of the current  
11      docket about what was in the scope of this  
12      update. The "what's in the scope?" question  
13      has been helpfully clarified in the Settlement  
14      Agreement. And I think that, in the 2020  
15      Update a year from now, there will be  
16      essentially no disputes about what's in scope  
17      and what's out of scope, because, by a year  
18      from now, the chief focus will have suitably  
19      and appropriately turned to what we'll be doing  
20      in the next triennium.

21              In the meantime, though, with respect  
22      to non-wires alternatives, they're off the  
23      table here. The prefiled testimony on that  
24      subject we commissioned from Mr. Neme is not



1 going to be in the record, but make no mistake,  
2 that testimony and that issue will be back.

3 Section L of the Settlement Agreement says that  
4 non-wires alternatives are an appropriate issue  
5 that "may be reviewed in rate cases, in Least  
6 Cost Integrated Resource Plan proceedings, the  
7 grid modernization" docket, should that  
8 particular Santa Claus come down the regulatory  
9 chimney, and "dockets dedicated to reviewing  
10 specific NWA proposals". You can expect and  
11 assume NWAs to turn up in all of the above.  
12 They have great potential to deliver benefits  
13 to residential utility customers and utility  
14 customers generally.

15 A couple of other things that I think  
16 are especially important to residential utility  
17 customers. The additional 10 percent adder for  
18 low-income eligible customers for purposes of  
19 the benefit-cost analysis, on top of the  
20 portfolio-wide 10 percent adder for non-energy  
21 impacts, is good public policy, and we support  
22 it unreservedly and enthusiastically.

23 And the fact that the regulated  
24 utilities have agreed that they will not object

1 to an investigation related to street lights is  
2 an important provision of this Settlement  
3 Agreement. To varying degrees, the current  
4 street lighting tariffs don't work. They  
5 retard and prevent, rather than promote and  
6 encourage, the deployment of LED street lights  
7 that are subject to automated controls. That  
8 is good stuff.

9 There are two upcoming electric rate  
10 cases where those issues will come up. And we  
11 will work with other stakeholders to seek an  
12 investigation so that every municipal in this  
13 state has a reasonable opportunity to deploy  
14 advanced street lighting. That's not just good  
15 for taxpayers, it's good for residential  
16 customers, because they are the taxpayers.

17 2019 is going to be a breakthrough  
18 year for energy efficiency in New Hampshire. I  
19 look forward to seeing us advance in the ACEEE  
20 rankings, from our current number 21, a dismal  
21 last in the Northeast, unless you consider  
22 Delaware, which is below the Mason-Dixon line,  
23 to be part of the Northeast.

24 So, I strongly urge the Commission to

1 approve the pending Settlement Agreement as  
2 consistent with the public interest.

3 And the last thing I want to do is  
4 thank our witness, Mr. Loiter, who has been  
5 deeply involved in the Energy Efficiency  
6 Resource Standard, all the way from its  
7 initiation back in 2017. He used to work for  
8 the organization formerly known as the  
9 "Sustainable Energy Association". He was then  
10 traded to the OCA in exchange Craig Kimbrel,  
11 and he's been working for us ever since. And  
12 he's done a terrific job. He is moving on to  
13 new and exciting opportunities in his career.  
14 And so, we won't be seeing him in the current  
15 guise anymore, and I would just like to thank  
16 him.

17 And I think that's all I have to say.

18 CHAIRMAN HONIGBERG: Thank you, Mr.  
19 Kreis, and thank you, Mr. Buckley. Mr. Dexter.

20 MR. DEXTER: Thank you, Mr. Chairman.  
21 The Staff likewise recommends approval of the  
22 Settlement presented before you today. As our  
23 witnesses have stated, the programs that will  
24 be implemented pursuant to the Settlement

1       comply with the goals of the EERS standard that  
2       was established in DE 15-137. They're  
3       cost-effective. The resulting rates are just  
4       and reasonable.

5               We, in addition -- in addition to the  
6       Settlement containing programs that we support,  
7       we note that the Settlement simplifies the  
8       process for the next update, the 2020 Plan  
9       Update, as well as provides guidance and  
10      framework for the next triennium, and, like the  
11      first triennium, allows for significant  
12      stakeholder input.

13              So, for those reasons, we recommend  
14      approval of the Settlement. Thank you.

15              CHAIRMAN HONIGBERG: Thank you, Mr.  
16      Dexter. How are the utilities going to do  
17      this? All four going to speak?

18              MR. FOSSUM: I don't know that we've  
19      worked that out.

20              CHAIRMAN HONIGBERG: Mr. Fossum, why  
21      don't you go first. We'll see if the others  
22      have anything they want to add.

23              MR. FOSSUM: Well, all right. I do  
24      not have just a whole lot to say, at least

1 nothing more helpful or confidently said than  
2 what Ms. Peters has testified to today.

3 Eversource, for its part, fully  
4 supports the Settlement Agreement. And we  
5 recognize it as a fair and appropriate product  
6 of extensive negotiation and compromise.  
7 There's a lot of work that went into this  
8 agreement, and a lot of work that results from  
9 it. But that is achievable work and worthwhile  
10 work. And we believe we're up to the task.

11 I don't know that I need to spend  
12 time highlighting any of the particulars. So,  
13 I'll just zero in on a few.

14 As a number of folks have noted, the  
15 active demand response demonstration that we're  
16 preparing to do will be something new and  
17 interesting, and hopefully informative. And we  
18 look forward to preparing and readying that  
19 filing for the Commission as early as we can in  
20 2019, so that we can start to see the benefits  
21 of that as early as possible.

22 The working groups that have been  
23 previously established, and for those which  
24 continue and for those which have expanded, see

1       them as at times more work than may be desired,  
2       given their overlapping schedules, but  
3       ultimately a place for fruitful discussion.

4               We also appreciate the streamlining  
5       of the 2020 Update Plan, as at about the same  
6       time we'll be preparing the larger and more  
7       comprehensive next 3-Year Plan, a plan that  
8       we're excited to work on and believe will be  
9       very helpful to the state and to our customers.

10              With respect to the rates that have  
11       been put before you today, we believe they are  
12       just and reasonable rates, and that they should  
13       be approved. As a somewhat utilitarian  
14       request, to accommodate some of the needs of  
15       our billing systems, I would ask that, even if  
16       an order cannot be issued by December 28th, I  
17       would ask that the Commission make some  
18       provision for the rates as of that date, to  
19       allow time for us to adjust our billing systems  
20       appropriately for January 1st implementation.

21              With that said, Eversource supports  
22       the Settlement and believes it should be  
23       approved. Thank you.

24              CHAIRMAN HONIGBERG: Thank you,

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1 Mr. Fossum. Mr. Taylor.

2 MR. TAYLOR: Thank you,  
3 Commissioners. I concur with the sentiments  
4 expressed by Mr. Fossum. Unitil also supports  
5 the Settlement before the Commission today.

6 So, I'm not going to try to add to  
7 Mr. Fossum's closing. Except to say that we  
8 appreciate the efforts of all the parties in  
9 this case to reach a settlement. And we  
10 appreciate the Commission's time this  
11 afternoon.

12 CHAIRMAN HONIGBERG: Thank you,  
13 Mr. Taylor. Mr. Sheehan.

14 MR. SHEEHAN: Thank you. I have  
15 nothing further to add either. And would  
16 simply state to express Liberty-Gas and  
17 Liberty-Electric's full support of the  
18 Settlement Agreement, and we request your  
19 approval.

20 Thank you.

21 CHAIRMAN HONIGBERG: Thank you,  
22 Mr. Sheehan. Mr. Dean.

23 MR. DEAN: The Co-op supports the  
24 Settlement. And I have nothing more to add.

1 Thank you.

2 CHAIRMAN HONIGBERG: All right.

3 Thank you all. As a number of people have  
4 said, it is obvious that a ton of work went  
5 into this throughout the process. We  
6 appreciate very much all the work that went  
7 into it and the work that was done today,  
8 including the things that had to be done  
9 on-the-fly without preparation.

10 So, if there's nothing else, we will  
11 close the record, adjourn, take the matter  
12 under advisement, issue an order as quickly as  
13 we can, understanding your request, Mr. Fossum,  
14 regarding the rates.

15 MR. FOSSUM: Thank you.

16 ***(Whereupon the hearing was***  
17 ***adjourned at 2:18 p.m.)***

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