

In Re:
DE 10-188
2011 CORE ELECTRIC PROGRAMS

DAY 1 - MIDAFTERNOON SESSION ONLY
June 6, 2012

SUSAN J. ROBIDAS, LCR
(603) 622-0068 shortrp@comcast.net



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1	APPEARANCES (CONT'D)	1	(WHEREUPON, after brief recess and	
2	Reptg. The Way Home:	2	change of court reporters, the hearing	
3	Alan Linder, Esq. (N.H. Legal Assistance)	3	resumed at 2:25 p.m.)	
4	Reptg. N.H. Community Action Association:	4	*****	
5	Dana Nute, Director	5	MS. THUNBERG: Thank you for the	
6	Reptg. Conservation Law Foundation:	6	break. Prior to our break, I had distributed	
7	Jonathan Peress, Esq.	7	a three-page document. I have since retracted	
8	Reptg. the Office of Energy & Planning:	8	that document and replaced it with a one-page	
9	Eric Steltzer, Energy Policy Analyst	9	document which should help us steer clear of	
10	Reptg. Residential Ratepayers:	10	any unintended supplementing of the PSNH IRP	
11	Rorie E. P. Hollenberg, Esq.	11	docket. But with that, I'd still like to have	
12	Stephen R. Eckberg	12	Staff ask the question first of this document	
13	Office of Consumer Advocate	13	and wait to make sure that Gerry doesn't have	
14	Reptg. NHPUC Staff:	14	any objection to it. Thank you.	
15	Marcia A.B. Thunberg, Esq.	15	CHAIRMAN IGNATIUS: All right.	
16	James J. Cunningham, Jr., Electric Div.	16	Well, let's mark this for identification as	
17	Al-Azad Iqbal, Electric Division	17	37. And that's the one page entitled "Exhibit	
18		18	IV-15."	
19		19	(The document, as described, was	
20		20	herewith marked as 37 for	
21		21	identification.)	
22		22	MR. EATON: And maybe counsel	
23		23	could correct me, but it appears to be a page	
24		24	from the original filing of the Least Cost	

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<p>1 Plan, which I think was marked as Exhibit 1 in</p> <p>2 the Least Cost Integrated Resource Plan</p> <p>3 docket.</p> <p>4 MS. THUNBERG: That is correct.</p> <p>5 This page is pulled from Exhibit 1. Thank</p> <p>6 you.</p> <p>7 CHAIRMAN IGNATIUS: All right.</p> <p>8 CROSS-EXAMINATION</p> <p>9 BY MR. IQBAL:</p> <p>10 Q. We are talking about Exhibit 37 on that</p> <p>11 page, Page 61. The table title also called</p> <p>12 Exhibit IV-16, "Residential Obtainable</p> <p>13 Potential Revisions." My question relate to</p> <p>14 the weatherization. I understand that the</p> <p>15 first column that is "Obtainable Potential"</p> <p>16 identified by GDS and -- is that right?</p> <p>17 A. (By Mr. Gelineau) I'm waiting for Attorney</p> <p>18 Eaton to tell me whether I can answer this,</p> <p>19 I guess.</p> <p>20 MR. EATON: Yes, you can answer</p> <p>21 that.</p> <p>22 A. (By Mr. Gelineau) That's correct.</p> <p>23 Q. And the next column is "Adjusted Potential."</p> <p>24 It is done by PSNH; is that correct?</p>	<p>1 HPwES Program, the number are the same; is</p> <p>2 that correct?</p> <p>3 A. (By Mr. Gelineau) I don't think so. And I</p> <p>4 guess I have to look. But I think that --</p> <p>5 Q. But both are 226; is that correct?</p> <p>6 A. (By Mr. Gelineau) Okay. But I think that --</p> <p>7 I think that the exhibit -- well, the table</p> <p>8 that you're looking at in -- is this</p> <p>9 exhibit -- I don't know what exhibit --</p> <p>10 Q. Thirty-seven.</p> <p>11 A. (By Mr. Gelineau) This is 36?</p> <p>12 Q. Thirty-seven.</p> <p>13 A. Okay. My sense is that that is talking</p> <p>14 about weatherization in general. It's not</p> <p>15 talking about that one program. I think it</p> <p>16 probably includes both the low-income</p> <p>17 program and the weatherization -- the Home</p> <p>18 Performance program. So that would be a sum</p> <p>19 of two of them.</p> <p>20 And if you look at the other exhibit</p> <p>21 that you're looking at, there's some</p> <p>22 764-megawatt hours associated with that.</p> <p>23 So, I mean, it would be the combination of</p> <p>24 those two, I believe, would be the</p>
[WITNESS PANEL: GELINEAU PALMA] Page 6	[WITNESS PANEL: GELINEAU PALMA] Page 8
<p>1 A. (By Mr. Gelineau) That's correct.</p> <p>2 Q. And the third column is "2010 Cold Service,"</p> <p>3 and it is 226; is that correct?</p> <p>4 A. (By Mr. Gelineau) That's correct.</p> <p>5 Q. Yup. And if you look at Page 24 of</p> <p>6 Exhibit 23 --</p> <p>7 MS. THUNBERG: And just to</p> <p>8 remind folks, that was the CORE Program</p> <p>9 attached to the settlement agreement that was</p> <p>10 filed in December 2011.</p> <p>11 A. (By Mr. Palma) Page 24 or 25?</p> <p>12 BY MR. IQBAL:</p> <p>13 Q. Twenty-four.</p> <p>14 MS. THUNBERG: For right now,</p> <p>15 24, yes.</p> <p>16 BY MR. IQBAL:</p> <p>17 Q. On Home Performance with ENERGY STAR, if you</p> <p>18 look at the column "Annual Megawatt</p> <p>19 Savings," it also mention 226 megawatt hour.</p> <p>20 A. (By Mr. Gelineau) Yeah.</p> <p>21 Q. So we can say that this table on Exhibit 37</p> <p>22 could be used for 2012 plan because the --</p> <p>23 it says "2010 CORE Savings." But 2010 CORE</p> <p>24 Savings for weatherization and for 2012</p>	<p>1 comparable number.</p> <p>2 Q. Okay. Then you are trying to say that your</p> <p>3 adjusted potential, that 640 megawatt hour,</p> <p>4 is wrong.</p> <p>5 A. (By Mr. Gelineau) Is wrong?</p> <p>6 Q. Yeah, because you're saying that you are</p> <p>7 achieving 2012 more than that.</p> <p>8 A. (By Mr. Gelineau) Well, I think it would be</p> <p>9 worthwhile if we explained what these</p> <p>10 columns are for people who are not familiar</p> <p>11 with the Least Cost Plan. I mean, you've</p> <p>12 got a number called the "Adjusted</p> <p>13 Potential," and I'm not sure that anybody</p> <p>14 really understands what those column</p> <p>15 headings mean in here without additional</p> <p>16 explanation. There's quite a bit of</p> <p>17 explanation that went into the document from</p> <p>18 which this was taken that is not available</p> <p>19 to most of the folks in the room. So, I</p> <p>20 think it would be worthwhile just going</p> <p>21 through what these columns mean in order to</p> <p>22 understand what is going on here.</p> <p>23 CHAIRMAN IGNATIUS: Well, before</p> <p>24 we do that, because I am worried about</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 9</p> <p>1 creeping into the other docket any further. 2 And most of the parties to that docket are not 3 here, and we are not reopening the evidentiary 4 record. 5 Ms. Thunberg, can you give 6 me an offer of proof on why the Exhibit 37 7 numbers are significant to what we're trying 8 to work through today? 9 MS. THUNBERG: Iqbal Al-Azad 10 [sic] can answer it a lot more succinctly than 11 I can, so I'm deferring to him. 12 CHAIRMAN IGNATIUS: All right. 13 MR. IQBAL: We are looking at 14 that number because that identified 15 weatherization potential annually, which is 16 submitted by PSNH. They said that they can 17 save 640 megawatt hour every year, but they 18 are saving 226 megawatt hour. So the point we 19 are trying to make, that on one side they are 20 saying that they cannot find these potential 21 customers, but GDS found that every year they 22 could save 400 -- 640 megawatt hour and leave 23 it -- they are saving only 226. So they are 24 leaving out almost 65-percent annual saving</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 11</p> <p>1 this potential. 2 A. (By Mr. Gelineau) I'm sorry, but I don't see 3 35 percent anywhere, and I'm not sure what 4 it is you're referring to. 5 Q. Yeah. If you divide 226 by 640, you get 6 around 35. 7 A. (By Mr. Gelineau) Well, I don't think you're 8 interpreting the table from the Least Cost 9 Plan correctly, for starters. But if I 10 could just say that it indicates here in 11 that table, in the last column, it says that 12 the 2015 Market Potential is 619, what we 13 said succinctly is that in 2015 we would 14 save, annually, 619. What we're saying in 15 the 2012 plan is that we're going to save 16 993. So we're actually about a third higher 17 than what it is -- than what it is that's 18 shown here. 19 So I'm not sure what -- in other words, 20 as I indicated, this is weatherization, all 21 weatherization, for both low-income and the 22 Home Performance with ENERGY STAR Program. 23 And so its value, as I say, is 619. And if 24 you look at the addition associated under</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 10</p> <p>1 potential every year. 2 CHAIRMAN IGNATIUS: All right. 3 Why don't you ask that question and focus on 4 what PSNH believes is the potential for these 5 programs, which is consistent with other 6 testimony today, as opposed to what did it 7 mean in the Least Cost Plan and how is it 8 developed. All right? 9 MS. THUNBERG: So we can forego 10 the offer of explaining the columns from -- 11 CHAIRMAN IGNATIUS: Well, why 12 don't we begin, first, with the question. I'm 13 hoping it's not necessary to go into that 14 detail, but... 15 BY MR. IQBAL: 16 Q. So the direct question is that you 17 identified that you are saving only one -- 18 35 percent of the annual potential in 19 your -- in this docket and leaving out 20 almost 65 percent of the potential every 21 year; whereas, here you are saying that we 22 have to shift this money to save fuels or 23 other sources; whereas, you identified that 24 you are not even achieving 35 percent of</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 12</p> <p>1 the annual megawatt hours of the 767.4 and 2 the 226.0, you're going to get 993.4, which 3 is substantially higher than what's in the 4 Least Cost Plan. 5 Q. So you're saying that on Exhibit 37, this 6 226 megawatt hour doesn't include the 7 low-income program? 8 A. (By Mr. Gelineau) It does include it. But 9 you see, again, without explaining what this 10 table is, we're using these numbers -- we're 11 pulling these numbers out of this table and 12 not explaining what it is that this table is 13 supposed to characterize. And I think 14 it's... I don't think you're using the table 15 correctly. That's my bottom line. 16 CROSS-EXAMINATION (cont'd) 17 BY MS. THUNBERG: 18 Q. Final question on this point is, if there 19 are potential energy savings out there, why 20 is PSNH and Unitil going after HPwES -- or 21 why is the vast majority of savings in HPwES 22 coming from the non-electric savings? And 23 we talked about that either 98 percent or 24 90 percent.</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 13</p> <p>1 A. (By Mr. Gelineau) Couple of things. First 2 of all, the reason that the large majority 3 of the savings are going to come from 4 non-electric measures goes back to my point 5 that I made earlier. You can't do this 6 program cost-effectively unless you include 7 weatherization. Weatherization is the 8 big-ticket item. And so it's going to be -- 9 it can be expected that if you do 10 weatherization for a non-electric home, it's 11 going to have a significant amount of the 12 savings that's not going to be electric. 13 And if you don't do those measures, you are 14 going to do two things: One is you're not 15 going to be able to do the program 16 cost-effectively; and the other thing is 17 you're going to miss out on a lot of 18 savings. 19 And I guess I would call your attention 20 to a recommendation that comes out of the 21 GDS report. And that GDS report says -- and 22 I'm just -- basically, this is a 23 recommendation which appears on Page 22 of 24 the GDS study. It's talking about trying to</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 15</p> <p>1 electric savings, they also have potential 2 non-electric savings. And it turns out that 3 the non-electric savings exceed the electric 4 savings, which is not a result different 5 from what it is that we have in this 6 particular program. And that, too, is in 7 our testimony. 8 Q. On Page 22, which paragraph are you reading 9 from? 10 A. (By Mr. Gelineau) The very first one at the 11 top of the page that says "Recommendation." 12 Q. And the final sentence is, "It is important 13 to recognize that such expansion would 14 require providing services to customers that 15 heat with fuels other than electric or 16 natural gas. Issues regarding who would pay 17 for the provision of services to such 18 customers would need to be addressed." 19 A. (By Mr. Gelineau) That's correct. 20 Q. That's the section that you're talking 21 about. Okay. 22 MS. THUNBERG: I have a question 23 coming -- a series of questions coming from 24 Mr. Franz.</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 14</p> <p>1 reach the expanding number and types of 2 products and services available through the 3 existing residential energy-efficiency 4 programs and promotion of these programs to 5 include a larger number of potential 6 participants may lead to increased overall 7 energy savings is important -- 8 Q. Can I just interrupt you and ask you which 9 page are you reading from again? 10 A. (By Mr. Gelineau) It's Page 22. 11 Q. Thank you. 12 A. (By Mr. Gelineau) And it goes on to say, "It 13 is important to recognize that such an 14 expansion would require providing services 15 to customers that heat with fuels other than 16 electric or natural gas." 17 So what it's telling me, and I think 18 it's kind of directing us, is that this GDS 19 report says that if you want to get all of 20 the electric savings, you're going to have 21 look beyond just doing electric heat. And 22 if you look at the GDS report, it's 23 interesting. If you look at the potential 24 energy savings, they not only have potential</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 16</p> <p>1 CHAIRMAN IGNATIUS: Please 2 proceed. 3 MR. FRANZ: Thank you. 4 CROSS-EXAMINATION 5 BY MR. FRANZ: 6 Q. Good afternoon, gentlemen. 7 A. (By Mr. Gelineau) Good afternoon. 8 A. (By Mr. Palma) Good afternoon. 9 Q. I just have a few questions that were 10 questions addressed a little bit earlier 11 concerning your data and the 1.3 and 12 1.4 percent respectively versus the census 13 data, which really comes from the Department 14 of Energy, Energy Information Administration 15 Survey. Do you recall that discussion 16 earlier? 17 A. (By Mr. Gelineau) Yes. 18 A. (By Mr. Palma) Yes. 19 Q. And in that, you raised a concern, Mr. 20 Gelineau, that without seeing the survey, 21 you weren't sure whether or not they just 22 asked the simple question, "Well, what is 23 your primary heating source for your 24 residential house?" and whether they</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 17</p> <p>1 asked -- and whether they asked, "Do you</p> <p>2 have a secondary source and which one do you</p> <p>3 use?" Do you remember that comment?</p> <p>4 A. (By Mr. Gelineau) I do. That was in the</p> <p>5 context of trying to understand -- the</p> <p>6 question was, "Can you explain why there may</p> <p>7 be differences?"</p> <p>8 Q. Glad we're on the same page here.</p> <p>9 Have either of you actually reviewed</p> <p>10 the census or EIA survey that we are</p> <p>11 referring to?</p> <p>12 A. (By Mr. Palma) I have not reviewed it.</p> <p>13 A. (By Mr. Gelineau) I have not reviewed it</p> <p>14 either. I assume the information that you</p> <p>15 provided is accurate.</p> <p>16 Q. So it wouldn't surprise you if I told you</p> <p>17 that that energy survey is 96 pages long and</p> <p>18 highly detailed and asked exactly those kind</p> <p>19 of follow-up questions concerning energy</p> <p>20 use, primary use, secondary sources, type of</p> <p>21 insulation, age of house, and a whole lot</p> <p>22 more information that you had concerns</p> <p>23 about.</p> <p>24 A. (By Mr. Gelineau) No, it wouldn't</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 19</p> <p>1 of order, I intend to use a page from the GDS</p> <p>2 report also. I don't know if it would make</p> <p>3 sense to -- I mean, we can do them</p> <p>4 separately. It's actually one of the pages</p> <p>5 that Mark was referring to earlier. I just</p> <p>6 didn't know if you wanted to have two</p> <p>7 different pages from the same report as two</p> <p>8 different exhibits. I'm --</p> <p>9 CHAIRMAN IGNATIUS: If Staff's</p> <p>10 comfortable with combining them and making</p> <p>11 them one exhibit, that's probably clearer.</p> <p>12 (Discussion among counsel)</p> <p>13 MS. THUNBERG: We have different</p> <p>14 pages, so I'm going to pass out Page 8 of the</p> <p>15 GDS study.</p> <p>16 CHAIRMAN IGNATIUS: All right.</p> <p>17 And that will be Exhibit 38 for</p> <p>18 identification.</p> <p>19 (The document, as described, was</p> <p>20 herewith marked as 38 for</p> <p>21 identification.)</p> <p>22 BY MS. THUNBERG:</p> <p>23 Q. I'd like to just, if you have the document,</p> <p>24 Page 8 of the GDS study, in front of you --</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 18</p> <p>1 necessarily surprise me. But the size of</p> <p>2 the document doesn't necessarily tell me how</p> <p>3 accurate the information is. And I think</p> <p>4 that the information that we have</p> <p>5 specifically relates to our customers and</p> <p>6 their actual usage, and I just have to put a</p> <p>7 lot more weight on that than, you know, any</p> <p>8 size document that might come up that's not</p> <p>9 based on that same source information.</p> <p>10 Q. Even if it's highly detailed and asked the</p> <p>11 questions that you raised concerns about.</p> <p>12 A. (By Mr. Gelineau) Even then.</p> <p>13 MR. FRANZ: Nothing further.</p> <p>14 Thank you.</p> <p>15 MS. THUNBERG: I'd like to ask</p> <p>16 the clerk, have we marked the GDS study as an</p> <p>17 exhibit?</p> <p>18 I'm getting a "No" from</p> <p>19 PSNH. So I'd like to distribute a page from</p> <p>20 the GDS report. This is a report that is on</p> <p>21 the Commission's web site. Most people are</p> <p>22 familiar with it in here, but I have</p> <p>23 questions about a particular table.</p> <p>24 MS. GOLDWASSER: Just as a point</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 20</p> <p>1 A. (By Mr. Gelineau) Yes.</p> <p>2 Q. -- I'm looking at the very first column.</p> <p>3 The first block of descriptions has at the</p> <p>4 bottom "Potentially Obtainable." Do you see</p> <p>5 that --</p> <p>6 A. (By Mr. Palma) Yes.</p> <p>7 Q. -- row? And it has a estimated annual</p> <p>8 savings of 698 million. Do you see that?</p> <p>9 A. (By Mr. Palma) Yes.</p> <p>10 A. (By Mr. Gelineau) Yes.</p> <p>11 CHAIRMAN IGNATIUS: I'm sorry.</p> <p>12 I'm sorry. I thought I was getting different</p> <p>13 numbers. So which line are you in?</p> <p>14 MS. THUNBERG: Fifth number</p> <p>15 down -- row down, in the column entitled</p> <p>16 "Estimated Annual Savings by 2018, Kilowatt</p> <p>17 Hours." And it's in the "Residential" sector.</p> <p>18 We're looking at Page 8 of the GDS study;</p> <p>19 correct?</p> <p>20 CHAIRMAN IGNATIUS: I've got</p> <p>21 Page 8. After that I'm not with you.</p> <p>22 CMSR. HARRINGTON: You're in the</p> <p>23 first column?</p> <p>24 MS. THUNBERG: Second column.</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 21</p> <p>1 It's 698,069,156 estimated annual savings in 2 kilowatt hours. 3 CHAIRMAN IGNATIUS: Thank you. 4 BY MS. THUNBERG: 5 Q. Now, would you agree that there appear to be 6 significant remaining potentially obtainable 7 overall annual residential electric sector 8 savings? 9 A. (By Mr. Gelineau) Yes. 10 Q. Given that there are -- 11 A. (By Mr. Gelineau) One point of clarity here 12 before we get too far into this, though. 13 What's not really clear from looking at this 14 table is that these numbers represent a 15 10-year implementation. And so if you want 16 to consider the annual value, you need to 17 divide that number by 10. So that's not 18 698 -- or 698 annually. It's 69.8 annually. 19 Q. Thank you for that clarification. 20 A. (By Mr. Gelineau) And I will say that it's 21 not very -- I think that this report is 22 particularly confusing in this aspect. But 23 that's -- I did contact the principal who 24 wrote the report prior to our meeting today</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 23</p> <p>1 budget that we are using. We have a budget 2 of about \$7 million. They're using a budget 3 of about \$38 million. We have a savings of 4 16.1. Their savings is 69.8. So there 5 is -- you know, all of those factors need to 6 be considered as you're considering the 7 comparison of these numbers. 8 Q. Okay. I'm trying to establish -- I guess 9 we're in agreement, then, is it fair to say, 10 that there are potentially obtainable annual 11 savings that remain in -- 12 A. (By Mr. Gelineau) Absolutely. 13 Q. Okay. 14 A. (By Mr. Palma) To the extent it's exactly 15 this number that GDS has indicated is not -- 16 you know, requires more study. This is a 17 potential study. It's not an exact science. 18 CMSR. HARRINGTON: Can I just 19 ask a clarifying question on this? Maybe I 20 can't read this. Is this number that we're 21 talking about, the 69,156, those are commas 22 and not decimal points there? 23 MS. THUNBERG: Those are commas, 24 yes.</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 22</p> <p>1 to get clarification on that. 2 Q. Now, do you still have page -- Mr. Gelineau, 3 do you still have Page 24 of -- this was the 4 CORE document that was Attachment A with 5 Exhibit 23. 6 A. (By Mr. Gelineau) Yes. 7 Q. And that shows annual megawatt savings -- 8 A. (By Mr. Gelineau) Correct. 9 Q. -- of 16,113.2? 10 A. (By Mr. Gelineau) Yes, that's correct. 11 Q. And that 16,000 number is less than if we 12 back into -- divide by 10 the 698 million 13 that comes out to 69,000. So 16 is less 14 than that; correct? 15 A. (By Mr. Gelineau) That's correct. But the 16 other thing that you want to look at as 17 you're reviewing that is Column No. 2, which 18 talks about utility costs of \$7 million. 19 And the last column in this report which 20 says that you've got -- even when you divide 21 by 10, you've got a budget of almost 22 \$40 million. You've got \$38-something 23 million. So the budget associated with 24 those larger savings is much larger than the</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 24</p> <p>1 CMSR. HARRINGTON: So we're 2 dealing with, at this level, before we 3 adjusted by a factor of 10, it's 698 million, 4 et cetera. 5 MS. THUNBERG: Hmm-hmm. 6 CMSR. HARRINGTON: And then if 7 we divide that by 10, we're at 69 million, not 8 69,000 as people were saying. So, I mean, 9 that's a pretty big difference when you start 10 to compare, 'cause you're talking about 16,000 11 on Page 24 comparing to 69,000. It's actually 12 69 million -- 13 A. (By Mr. Gelineau) I'm sorry, Commissioner. 14 It's 16.1-megawatt hours, and these are 15 kilowatt hours. 16 CMSR. HARRINGTON: Kilowatt 17 hours. Okay. 18 A. (By Mr. Gelineau) So they do work out to be 19 the same factor. 20 CMSR. HARRINGTON: That's what I 21 was trying to get straight, because people 22 were using the terms back and forth, megawatt 23 [sic] hours, on Page 24. Okay. So that puts 24 about 16 million versus 69 million, just on</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 25</p> <p>1 relative terms. Thank you. 2 BY MS. THUNBERG: 3 Q. A follow-up question. Now that we've 4 established that there are a significant 5 amount of potentially obtainable savings, 6 again, it begs the question: Why design a 7 HPwES program to go after the non-electric 8 savings? 9 A. (By Mr. Gelineau) I think we certainly 10 wouldn't suggest that it's designed to go 11 after the non-electric savings. It's 12 designed to go after all of the savings, 13 both electric and non-electric, in the most 14 cost-effective way possible. Again, we 15 indicated earlier that it's important to get 16 all the savings when you go to a home. And 17 it's important that, if you're going to do a 18 program, that you get the weatherization, 19 because that is the thing that provides the 20 cost-effectiveness. That's where all the 21 energy savings are. You need to do that in 22 order to have something that's going to be 23 cost-effective. 24 I think I just got through indicating</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 27</p> <p>1 identification.) 2 BY MS. THUNBERG: 3 Q. Have you had a chance to refresh your 4 recollection with this response? 5 (Witness reviews document.) 6 A. (By Mr. Gelineau) Yes, I have. 7 Q. The fifth line up, there's a reference to 8 "500,000-kilowatt hours." Can you tell me 9 what percentage that number represents of 10 the total equivalent lifetime savings of the 11 HPwES program, if you know? 12 (Witness reviews document.) 13 A. (By Mr. Gelineau) It is a small percentage, 14 if I remember correctly. I think Staff 15 calculated something like 79 million 16 kilowatt hours -- or 79 million MMBtus. No. 17 MR. CUNNINGHAM: I'm sorry. 18 You're correct. That included the equivalent 19 MMBtus. 20 A. (By Mr. Gelineau) Right. So it would be a 21 relatively small number. I don't have -- I 22 guess if you can give me a few minutes I can 23 do the calculation, but... 24 But I guess, again, I'm going to go</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 26</p> <p>1 that the GDS report has a recommendation, 2 and I think you just brought -- I think you 3 made an exhibit out of it -- and that 4 recommendation says that if you want to get 5 the electric savings, you need to consider 6 expanding to provide services to other fuels 7 other than electricity for weatherization, 8 other than electric and natural gas. And 9 that's part of what the recommendation -- 10 that's one of the recommendations from the 11 GDS report. And they are assuming that when 12 they come up with these potential savings. 13 They're assuming that you're going to do 14 that; otherwise, you can't get all of these 15 savings. 16 MS. THUNBERG: Going to shift 17 gears a little bit. I have another data 18 response to pass out. If I can identify it 19 for the record, it is PSNH and Unitol's 20 response to Staff 5-17. 21 CHAIRMAN IGNATIUS: We'll mark 22 this for identification as Exhibit 39. 23 (The document, as described, was 24 herewith marked as 39 for</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 28</p> <p>1 back to my earlier testimony in which I 2 suggested that, if the one were to use the 3 GDS numbers that they came up with for the 4 savings that might be associated with the 5 so-called "ancillary savings," it's much, 6 much larger than the 42 -- than the 42 7 kilowatt hours shown here. And, in fact, 8 that is -- I'm just trying to... it's 9 roughly 35 times more. So, if that is the 10 right answer -- and I don't know what the 11 right answer is. But if that were the 12 correct amount, we have a range between 42 13 and some 1400 that GDS came up with. That's 14 a big range. And right now, you're using 15 the number on the lowest end of the range. 16 If we were to use the number on the highest 17 end of the range for these ancillary 18 savings, the result would be quite 19 different. 20 Q. Let's shift gears a little bit. Has PSNH 21 and Unitol been of the opinion that Staff 22 opposes a permanent fuel-neutral HPwES 23 program? I can reask the question. 24 A. (By Mr. Palma) Sure.</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 29</p> <p>1 Q. Is PSNH and Unitil of the opinion that Staff 2 opposes a permanent fuel-neutral HPwES 3 program? 4 A. (By Mr. Gelineau) Well, I would hope so, 5 because otherwise I don't know why we're 6 here, quite frankly. 7 Q. Now, if -- 8 A. (By Mr. Palma) Only thing I could add is 9 nothing's ever permanent. But I think for 10 the foreseeable two-year plan, they do 11 oppose -- 12 Q. Would you agree that Staff -- to the extent 13 you think that Staff opposes it, would you 14 agree that Staff only opposes HPwES because 15 it's based on the system benefit charge and 16 raises the issues of fairness? 17 A. (By Mr. Gelineau) Certainly I believe that 18 Staff's feeling is that that is an issue. 19 I think that one of my -- one of my 20 concerns is that this issue has come up time 21 and again, even after the Commission had 22 ruled that it was all right to use systems 23 benefits charges for fuel-neutral programs. 24 And I think that, more than anything, that's</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 31</p> <p>1 that. 2 A. (By Mr. Gelineau) Certainly we haven't come 3 close to exhausting all of the potential 4 savings opportunities identified in the 5 Climate Action Plan. If this question is 6 intended to get at the -- I think that in 7 Staff testimony there was some discussion as 8 to a portion of the Climate Action Plan 9 addressed electric measures as opposed to 10 other types of measures. And I think that 11 we tried to indicate in our testimony that, 12 with the exception of maximized efficiency 13 in buildings, all of the other electric, 14 so-called "electric measures," are outside 15 the scope of what it is that one would do in 16 the energy-efficiency arena, particularly as 17 it relates to the systems benefits charge. 18 I mean, some of these measures include 19 things like the RPS; they include REGGI; 20 they include nuclear power; they include -- 21 I'm trying to remember all of them. But the 22 only 1 out of the 10 recommendations that 23 relate directly to the systems benefits 24 charge and energy efficiency is maximizing</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 30</p> <p>1 why I'm glad that we're here today and we'll 2 finally have an opportunity to get this 3 issue to bed, in back of us. 4 Q. Do you think that PSNH and Unitil exhausted 5 all electric savings opportunities which 6 support the New Hampshire Climate Action 7 Plan goal of reducing greenhouse gas 8 emissions? 9 A. (By Mr. Gelineau) Have we exhausted all 10 possibilities of -- have we done all the 11 savings associated with the Climate Action 12 Plan? 13 Q. Do you have an opinion as to the extent of 14 exhaustion PSNH and Unitil have done with 15 looking at electric savings opportunities 16 and, I guess, exhausting those opportunities 17 to support the New Hampshire Climate Action 18 Plan? You've mentioned your programs in the 19 past -- or let me retract that. 20 Your testimony earlier today included 21 why you were using the HPwES -- or offering 22 the HPwES program was because it was partly 23 consistent with the New Hampshire Climate 24 Action Plan. So this question is going to</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 32</p> <p>1 efficiency in buildings, which is also a 2 recommendation from another portion of the 3 plan, and that's the portion under which 4 this particular program is focused. It is 5 aimed at trying to reduce energy in 6 buildings. All energy. 7 Q. I just have a few questions on performance 8 incentive, to wrap up. 9 MS. THUNBERG: And Chairman 10 Ignatius, I just want clarification. I forget 11 how in depth we can go or should not go on 12 performance incentive. We talked about it 13 this morning, whether it was ripe for 14 discussion today. I just had a few questions 15 bringing in the VEIC report. But I guess I 16 need a refreshing -- refreshment on the extent 17 I should be going into it. 18 CHAIRMAN IGNATIUS: Well, my 19 sense was the question of whether the HPwES 20 program should be entitled to performance 21 incentives on all measures, not just electric, 22 is what's here as almost a policy question, I 23 think, not the actual -- any change to 24 incentives in the future for this program or</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 33</p> <p>1 any other program. But is it -- should it be 2 earning on the non-electric measures; and if 3 so, why or why not. Is that too narrow a 4 framework? That's what I meant when I was 5 using those words. 6 MS. THUNBERG: I have about 10 7 questions on that subject, and I just feel 8 better about getting the perspective of the 9 VEIC on the record. 10 CHAIRMAN IGNATIUS: That's fine. 11 MS. THUNBERG: And to that end, 12 I would like to not bring in the full VEIC 13 report, but just enter into the record Chapter 14 9 that relates to the performance incentive 15 for discussion purposes. 16 CHAIRMAN IGNATIUS: Is there any 17 objection to introducing that chapter? 18 MS. GOLDWASSER: I guess my only 19 comment would be, to the extent this is 20 relevant to the question before the 21 Commission, I don't have a problem with it. 22 But to the extent we're going to get into this 23 question of what the working group should be 24 looking at -- and, you know, not all of the</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 35</p> <p>1 nodding. If that's correct, then these may be 2 good areas to explore as a foundation but not 3 to get into how one would actually do the 4 measurement and the calculations. Is that 5 correct? I mean, I'm a little in the dark 6 myself. So why don't you get started, and 7 let's see where we go. But I think the 8 primary focus is: Is it right to allow 9 incentives for non-electric measures; and if 10 so, why? 11 So why don't we, for 12 identification, mark this Chapter 40 -- 13 excuse me -- Chapter 9 as Exhibit 40. 14 MS. THUNBERG: Thank you. 15 (The document, as described, was 16 herewith marked as 40 for 17 identification.) 18 BY MS. THUNBERG: 19 Q. Gentlemen, are you familiar with the VEIC 20 report in Chapter 9? 21 A. (By Mr. Palma) Yes. 22 Q. And does this chapter discuss many 23 recommendations -- recommended changes to -- 24 or areas of inquiry for the performance</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 34</p> <p>1 parties to the larger CORE docket in 10-188 2 are actively engaged in this part of the 3 proceeding. So, for example: The New 4 Hampshire Electric Co-Op doesn't have their 5 counsel here today, and they're part of the 6 working group. So that's my only concern, is 7 to the extent this reaches into the larger 8 question, as the Chairman described it, that 9 we be careful that we don't go past where 10 people here today are ready to talk about. 11 CHAIRMAN IGNATIUS: Well, I 12 think that as long as we're not getting 13 into -- correct me if I'm wrong. Mr. Eaton 14 said at the beginning, if there were approval 15 for this program to earn incentives for 16 non-electric measures, the Company would then 17 develop a proposal to do so, and presumably 18 Unitil would as well. And that would be 19 submitted as part of the -- discussed through 20 the summer and submitted as part of the 21 Company's proposals in the next CORE docket. 22 And if that's correct -- 23 MR. EATON: That's correct. 24 CHAIRMAN IGNATIUS: Mr. Eaton's</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 36</p> <p>1 incentive? 2 A. (By Mr. Gelineau) Yes. 3 Q. And is it correct that you are asking for a 4 12-percent performance incentive on the full 5 fuel-blind HPwES program? 6 A. (By Mr. Gelineau) No, that's not correct. 7 We're asking for -- we're asking for the 8 incentive just as it is for all of the other 9 programs, and that incentive range is 10 between zero and 12 percent. 11 Q. Thank you for that clarification. 12 Are you familiar with the 13 recommendation in this Chapter 9 that talks 14 about an incentive of a much lower level 15 could be enough of an incentive? 16 MR. EATON: Objection. I think 17 that goes into what the future design of the 18 performance incentive is. We're asking 19 that -- asking the Commission only to decide 20 whether we get the same performance incentive 21 on the full program as allowed in all the 22 other programs. And if they're exploring 23 whether Home Performance with ENERGY STAR gets 24 only zero to 6 percent, that's not what's in</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 37</p> <p>1 front of the Commission today, I think. 2 MS. THUNBERG: I will withdraw 3 the question. 4 CMSR. HARRINGTON: Response? 5 MS. THUNBERG: I will withdraw 6 the question. It's easier that way. 7 Chairman Ignatius, I've 8 been trying to cull down the questions, 9 given the lateness of the hour. And I know 10 that I just had this marked for 11 identification, but most of my questions go 12 to ripeness. So at this point, I think I 13 will withdraw my request -- well, 14 prematurely -- to have this marked. And I 15 don't know if you want to just not have this 16 as a number or how you want to proceed with 17 other people having exhibits coming 18 afterwards. But I think for economy -- 19 CHAIRMAN IGNATIUS: That's fine. 20 So why don't we withdraw 40. We'll save that 21 number for something yet to come. Thank you. 22 (Exhibit 40 withdrawn for 23 identification.) 24 (Pause in proceedings)</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 39</p> <p>1 Do you remember back when that was in 2 existence, what percentage of the costs it 3 was? And I offer that Staff was doing a 4 calculation and was thinking that the Home 5 Energy Solutions Program represented about 6 44 percent of the cost total. And just to 7 put that in perspective, we were comparing 8 it to the 70 percent that I just talked 9 about in the earlier question. 10 A. (By Mr. Gelineau) So you're suggesting that 11 it's 2.8 million, something like that? How 12 much did you say? Forty percent? 13 Q. I'm wondering if you would agree that the 14 Home Energy Solutions Program, when it 15 existed, represented about 44 percent -- oh, 16 I'm having a clarification here while I'm 17 asking this. 18 (Discussion among Staff) 19 BY MS. THUNBERG: 20 Q. Let me rephrase the question. I asked about 21 Home Energy Assistance, HPwES, ENERGY STAR 22 Homes, and those three, at least on Page 24, 23 represent 70 percent. Now, if we replace 24 HPwES with Home Energy Solutions, Staff</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 38</p> <p>1 BY MS. THUNBERG: 2 Q. Do you still have Page 24 of the CORE 3 Program that was attached to the settlement 4 agreement, which I believe was Exhibit 23, 5 in front of you? 6 A. (By Mr. Palma) Yes. 7 Q. And I'd like to draw your attention to the 8 Utility Costs column. It is the third one 9 over. Now, in particular, focusing on Home 10 Energy Assistance Program, Home Performance 11 with ENERGY STAR, and then the Home -- the 12 ENERGY STAR Homes Program, those three, 13 subject to check, would you agree that these 14 programs represent about 70 percent of that 15 cost number, the Total Residential Cost 16 number? 17 A. (By Mr. Palma) Subject to check, yes. 18 Q. Okay. And these three programs are 19 fuel-neutral programs; is that correct? 20 A. (By Mr. Gelineau) That's correct. 21 Q. Now I'm going to ask a question about the, 22 oh, gosh, the HES Program, Home Energy 23 Services Program -- no -- Home Energy 24 Solutions. Sorry.</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 40</p> <p>1 believes it comes up to about 44 percent. 2 Do you have any comment on that? 3 A. (By Mr. Gelineau) Subject to check, I'm not 4 going to argue that that's an incorrect 5 calculation. Would you have a particular 6 year in mind or... 7 (Discussion among Staff) 8 Q. I wonder if it would be better if -- well, I 9 was going to ask for a record request. But 10 I believe, to answer your question, I 11 believe it was 2009; right? Because in 2009 12 you had the Home Energy Solutions Program? 13 That would have been the last data we would 14 have had. I'm not asking for the -- 15 A. (By Mr. Gelineau) Well, 2009 really wouldn't 16 have been a year in which there was Home 17 Energy Solutions, because we began operating 18 the Home Performance with ENERGY STAR 19 Program in June of that year. So that would 20 be a mixed year, if you will. 21 Q. Okay. Let me ask this way: Would you agree 22 that over the past handful of years, that 23 the fuel-neutral programs have increased in 24 a percentage of this utility cost budget?</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 41</p> <p>1 A. (By Mr. Gelineau) Certainly.</p> <p>2 Q. Okay. And just for clarification, it's all</p> <p>3 of these costs that we talked about on</p> <p>4 Page 24, the 7,053.1 number. It's these</p> <p>5 costs that you are asking to be included in</p> <p>6 the performance incentive calculation; is</p> <p>7 that correct?</p> <p>8 A. (By Mr. Gelineau) It would be a number</p> <p>9 similar to that, in all likelihood, but it's</p> <p>10 not exactly the same. The way the</p> <p>11 performance calculation is done as of right</p> <p>12 now, it would use the actual expenditures as</p> <p>13 opposed to the planned expenditures. So, to</p> <p>14 the extent that there is a difference, then</p> <p>15 there would be an adjustment there.</p> <p>16 Q. Fair enough. Thank you.</p> <p>17 MS. THUNBERG: Sorry. I'm just</p> <p>18 doing a last call on questions from Staff.</p> <p>19 CHAIRMAN IGNATIUS: Please, take</p> <p>20 your time.</p> <p>21 CROSS-EXAMINATION (cont'd)</p> <p>22 BY MR. IQBAL:</p> <p>23 Q. Do you remember when we talked about the GDS</p> <p>24 report on Page 8, we talked about the table,</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 43</p> <p>1 that aside.</p> <p>2 But if it is utility costs, utility</p> <p>3 needed a budget to achieve that potential</p> <p>4 around 38 million; is that correct addition?</p> <p>5 A. (By Mr. Gelineau) Could you repeat the</p> <p>6 question, please?</p> <p>7 Q. That you divide that 383 by 10, it gives</p> <p>8 38 million?</p> <p>9 A. (By Mr. Gelineau) Yes.</p> <p>10 Q. So, to achieve this 69 million megawatt hour</p> <p>11 by year, you need a budget around</p> <p>12 38 million. That's what GDS is saying. Is</p> <p>13 it correct?</p> <p>14 A. (By Mr. Gelineau) Yes, it's just I don't</p> <p>15 know -- yes.</p> <p>16 Q. So what is the budget for residential</p> <p>17 customers right now?</p> <p>18 A. (By Mr. Gelineau) Well, 7 million.</p> <p>19 Q. So it's almost one fifth of that number?</p> <p>20 A. (By Mr. Gelineau) Again, it'd be good to</p> <p>21 know whether or not the number in the GDS</p> <p>22 study is -- includes customer money or not.</p> <p>23 But, yes, if it's strictly the utility</p> <p>24 costs, the math would work out to a little</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 42</p> <p>1 Summary of Energy Saving Potential by 2018 -</p> <p>2 Electric?</p> <p>3 A. (By Mr. Gelineau) Yes.</p> <p>4 Q. And do you remember you said that these</p> <p>5 savings actually have some cost, which is</p> <p>6 383 million for 10 years; so if you divide</p> <p>7 that by 10, it would be 38 million?</p> <p>8 (Witness reviews document.)</p> <p>9 A. (By Mr. Gelineau) I think I would like to</p> <p>10 review the definition of that column and</p> <p>11 specifically -- it's not clear as to whether</p> <p>12 or not that includes the customer cost as</p> <p>13 well as the utility cost; whereas, in the</p> <p>14 other -- on Page 24 column, for example,</p> <p>15 it's talking just about utility costs. I'm</p> <p>16 not certain. I think this may be the</p> <p>17 overall cost, both customer and utility</p> <p>18 here.</p> <p>19 A. (By Mr. Palma) Well, just to show where --</p> <p>20 it might require digging back a few pages in</p> <p>21 the study to see what the definition is of</p> <p>22 that column.</p> <p>23 Q. Let's take a -- my understanding is it is</p> <p>24 utility costs. But we can -- let's keep</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 44</p> <p>1 over 20 percent -- a little under</p> <p>2 20 percent.</p> <p>3 Q. So is it fair to say that, to achieve the</p> <p>4 potential electric savings every year, we</p> <p>5 don't have enough funding right now? Is it</p> <p>6 fair to say?</p> <p>7 A. (By Mr. Gelineau) That is very fair to say.</p> <p>8 Q. So if we shift that level of funding from</p> <p>9 electric savings to save something else,</p> <p>10 does it make the situation worse?</p> <p>11 A. (By Mr. Gelineau) Again, I'm going to go</p> <p>12 back and suggest that both the GDS study,</p> <p>13 which is the study we're looking at, and the</p> <p>14 Vermont study, are both suggesting that in</p> <p>15 order to maximize the savings, you need to</p> <p>16 look at all fuels. So if we fail to do</p> <p>17 that, we're going to leave a lot of electric</p> <p>18 savings on the table. We're not going to</p> <p>19 get them.</p> <p>20 A. (By Mr. Palma) One thing I want to point out</p> <p>21 is that potential studies shows what</p> <p>22 potential exists, but it doesn't factor in</p> <p>23 the customer's ability and interest and</p> <p>24 desire to actually invest in energy</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 45</p> <p>1 efficiency. So there may be potential in 2 Concord to save 10 megawatt hours, and we 3 may have great programs. But without those 4 customers actually taking action, because 5 they want to invest in -- and I hate to use 6 the term -- you know, granite countertops 7 instead, this potential is just a 8 theoretical potential. It's not an actual 9 potential. 10 Q. Doesn't it say "potentially obtainable"? 11 A. (By Mr. Palma) Right. Potentially 12 obtainable if all the customers were willing 13 to chip in and pay for that measures. But 14 as we pointed out several times, even though 15 we've done a lot of marketing, there are a 16 lot of electric heat customers. You know, 17 the ability to actually bring in electric 18 heat customers is limited to the percentages 19 we've gone through, probably five or six 20 times. And part of that may be they're just 21 not interested. They have granite 22 countertops or they have other needs for 23 their money besides energy efficiency. 24 So, this is a great study that GDS did.</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 47</p> <p>1 includes an adjustment to reflect that some 2 customers, despite that it's a great idea, 3 may decide not to go forward. 4 MS. THUNBERG: Thank you, 5 gentlemen, for your time. 6 CHAIRMAN IGNATIUS: Thank you. 7 Commissioner Harrington, do you have 8 questions? 9 CMSR. HARRINGTON: Yes. 10 INTERROGATORIES BY CMSR. HARRINGTON: 11 Q. Good afternoon. We will start with trying 12 to just straighten out a lot of discussion 13 on this. 14 Going to Exhibit 33, which is the CORE 15 Energy Efficiency Program from some years 16 ago, specifically to the 15 with a circle 17 around it on the bottom of the page. 18 A. (By Mr. Gelineau) We have that out. 19 Q. Now, if you look at that page, under A2 it 20 talks about current market conditions, with 21 the understanding that these are 10 years 22 old. It says 63,700 customers have been 23 identified as high-use electric customers. 24 Earlier in the document, it defines that as</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 46</p> <p>1 But it's showing the potential. It doesn't 2 factor in the customer's abilities. 3 Q. But the same report also identified 4 technical potential, best only; technical 5 potential, traditional; maximum achievable 6 potential; maximum achievable cost-effective 7 potential; and the last one is potentially 8 obtainable. So we are not saying that it is 9 the top part, which is technically 10 potential, or maximum achievable potential, 11 or maximum achievable cost-effective 12 potential. It is defined as "potentially 13 obtainable." So I understand your 14 explanation. Is it possible that that 15 explanation doesn't apply to this particular 16 item? 17 A. (By Mr. Gelineau) I think that if one looks 18 at Page 4 of that same report, your 19 characterization is correct. And in 20 particular, it says that under the 21 potentially obtainable scenario, it takes 22 customer behavior into consideration, as 23 well as the price. So that last scenario, 24 the potentially obtainable scenario,</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 48</p> <p>1 being someone who uses at least 30 kilowatt 2 hours a day, base-load consumption, during 3 the months of May, June, September and 4 October. So they're using 30 kilowatts a 5 day in non- heating seasons. 6 Now, below that it also lists under 2B, 7 22,000 electrical heat customers have been 8 identified. Is there overlap between those 9 two numbers? 10 A. (By Mr. Gelineau) It would be my 11 understanding that there is. 12 Q. Okay. So we have 63,700 customers who we 13 know are high use, in that they meet the 14 criteria I just read, some of which may be 15 electric heat customers and some of which 16 may not be. Would that be correct to say? 17 (No verbal response) 18 Q. Okay. So we got that at least straightened 19 out. 20 Now, either way, whether they're -- 21 let's just say if they're not electric heat 22 customers, the fact that they're using that 23 amount of electricity not for heat during 24 the months of May, June -- well, maybe this</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 49</p> <p>1 June they'll be using it. But most of June 2 they wouldn't be. May, June, September and 3 October, they're using 30 kilowatts a day. 4 That would tell me that there's a 5 substantial potential at least there for 6 some electric efficiency measures simply 7 because of the large amounts of electricity 8 being consumed. That sound correct? 9 A. (By Mr. Gelineau) That's correct. That's 10 exactly why they were on the list. 11 Q. So if we have the other customers that 12 still -- even if they do have electric heat, 13 they're even using more electricity then, 14 because during the non-heating season they 15 still meet the 30-kilowatts-a-day criteria, 16 which would make me think, in the heating 17 season, for the people that did have 18 electric heat and used it, it would even be 19 higher than that. 20 A. (By Mr. Gelineau) Correct. 21 Q. Okay. So we've established that now. 22 How many of these 63,700 customers have 23 participated in the program to date that 24 you're aware of? I mean, what would that</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 51</p> <p>1 Q. So the best guess is 10,000, average. Gives 2 us somewhere around 53,000 of those 3 customers that have not participated. Okay. 4 I just wanted to get that issue straight, 5 'cause we spent an awful lot of time 6 discussing that. 7 Kind of moving along to a different 8 subject, just to kind of get some of the 9 basics down so I make sure we're talking 10 about the same thing, where does the money 11 come from for the -- I can't even pronounce 12 this thing -- H-P-W-E-S? 13 A. (By Mr. Gelineau) Systems benefits charge. 14 Q. So the pilot program comes from systems 15 benefits charge. And you're proposing if 16 this new permanent -- more permanent program 17 comes in, it would come from the systems 18 benefits charge as well? 19 A. Correct. 20 Q. And what has happened to the systems 21 benefits charge revenues over the last 22 couple years? Just generally. Has the 23 trend been a large increase, about the same, 24 decrease?</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 50</p> <p>1 number be now of those initial 63,700? If 2 you just look back on page circle 9 there, 3 it says only about 250 of these high-use 4 customers have participated in general 5 high-use, retrofit energy-efficiency 6 programs. That, of course, was at the time. 7 That's 10 years ago. Trying to find out, of 8 these 63,700 customers, how many out there 9 have not participated. 10 A. (By Mr. Gelineau) I think a round number to 11 use would probably be about 1,000 customers 12 a year. 13 Q. So that would be 10,000 customers probably 14 have participated? 15 A. (By Mr. Gelineau) Something like that, yeah. 16 And I think it's also fair to say that 17 customers are going to drop off of that for 18 other reasons other than participation in 19 the program, particularly those that have 20 electric heat. 21 Q. But you could also add some of those ones, 22 the ones for non-electric heat. You might 23 add some. 24 A. (By Mr. Gelineau) Possibly, yes.</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 52</p> <p>1 A. (By Mr. Gelineau) It's about the same. But, 2 you know, overall, things are starting -- 3 there is another component that goes into 4 this. It's not just the systems benefits 5 charge revenue. It also includes the 6 Forward Capacity Market revenue, which has 7 been going up. 8 Q. Well, for the short term maybe. 9 A. (By Mr. Gelineau) But it's probably adding 10 10 percent now, something like that. 11 Q. So the Forward Capacity Market, flat on the 12 systems benefits charge, but increases on 13 the Forward Capacity Market. 14 A. (By Mr. Gelineau) We're about \$21 million 15 overall right now. 16 Q. Now, if this program, this -- how is it 17 pronounced again? 18 A. Home Performance with ENERGY STAR. 19 Q. Okay. I'll just stick with the H-P-W-E-S 20 then. Those funds come out of the systems 21 benefits charge. Right now there's no plans 22 to increase the systems benefits charge. So 23 this money would have to come at the expense 24 of some other electrical efficiency</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 53</p> <p>1 measures; is that correct?</p> <p>2 A. (By Mr. Palma) If they existed.</p> <p>3 Q. I'm not sure what that means.</p> <p>4 A. (By Mr. Palma) Well, as we mentioned, the</p> <p>5 difficulty is actually finding those</p> <p>6 electrical measures. And the best -- the</p> <p>7 biggest and best bang for the buck would be</p> <p>8 electric heat. We pointed out several times</p> <p>9 now that the electric heat customers are</p> <p>10 limited and not coming forward.</p> <p>11 Q. But we'll get back to that in a minute.</p> <p>12 But just so I get this, I'm clear on</p> <p>13 this, there's only one source of revenue.</p> <p>14 And dollar for dollar, each dollar removed</p> <p>15 to the HPwES program has to come out of the</p> <p>16 existing CORE Program -- what would be the</p> <p>17 existing CORE Program, without that; is that</p> <p>18 correct?</p> <p>19 A. (By Mr. Gelineau) It all comes out of the</p> <p>20 same pot. That's correct.</p> <p>21 Q. Okay. Thank you.</p> <p>22 Just a little bit more on generalities</p> <p>23 on this. If this program were to become</p> <p>24 widespread, it would mean there would be a</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 55</p> <p>1 non-electric heat customers. And that's</p> <p>2 where the money's coming from, not from</p> <p>3 taking it from other programs, for example.</p> <p>4 Q. So the -- to get back to the electric heat</p> <p>5 customers, we don't really know how many</p> <p>6 electric heat customers are left out there</p> <p>7 that haven't participated, other than you</p> <p>8 said the participation level was very low.</p> <p>9 A. (By Mr. Gelineau) No, we do have a pretty</p> <p>10 good handle on that.</p> <p>11 Q. Okay.</p> <p>12 A. (By Mr. Gelineau) I think I tried to</p> <p>13 indicate that we have some 5400 customers at</p> <p>14 Public Service right now who have a profile</p> <p>15 that dictate that they are very likely</p> <p>16 electric heat customers who use electric</p> <p>17 heat. And we can -- we have the data to go</p> <p>18 through that and identify those who have</p> <p>19 already participated out of that group. And</p> <p>20 I would anticipate that we're going to come</p> <p>21 up with a number probably in the range of</p> <p>22 4,000 or so that have not participated and</p> <p>23 have a profile that looks like they'll be</p> <p>24 electric heat customers.</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 54</p> <p>1 lot more households participating. It</p> <p>2 sounds like that's what you're alleging</p> <p>3 here. There would be more participation</p> <p>4 because there would be a lot more people</p> <p>5 eligible for weatherization programs; is</p> <p>6 that correct?</p> <p>7 A. (By Mr. Gelineau) The number of participants</p> <p>8 are going to depend on the funding level.</p> <p>9 And so it's -- absent additional funding, we</p> <p>10 would not advocate that we increase this</p> <p>11 budget.</p> <p>12 And just going back to your earlier</p> <p>13 thing, we're not really taking money away</p> <p>14 from anything else. We're moving an</p> <p>15 existing program, the HES program, to this</p> <p>16 program. So the budgets are -- you know,</p> <p>17 it's coming from the predecessor program</p> <p>18 more than from other programs, taking money</p> <p>19 away from other programs.</p> <p>20 Q. I'm not quite following.</p> <p>21 A. (By Mr. Gelineau) Well, there was a</p> <p>22 weatherization program before that was</p> <p>23 primarily aimed at electric heat customers.</p> <p>24 And we're moving that forward to</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 56</p> <p>1 Q. Okay. So, at least from the point of view</p> <p>2 that when you change the -- if this program</p> <p>3 goes through, the rules would change to</p> <p>4 allow not just electric heat customers --</p> <p>5 but we'll get to the exact on that -- but</p> <p>6 most or all of the customers to be able to</p> <p>7 be eligible for the program, the</p> <p>8 weatherization program.</p> <p>9 A. (By Mr. Gelineau) It will be all of the</p> <p>10 customers would be eligible.</p> <p>11 Q. So you're going to -- you have a substantial</p> <p>12 increase in the number of potential people</p> <p>13 involved.</p> <p>14 A. (By Mr. Gelineau) Absolutely.</p> <p>15 Q. Okay. How are you going to select that?</p> <p>16 Because you're going from, what you've said,</p> <p>17 5500 customers that you've been able to</p> <p>18 target pretty much directly and say we can</p> <p>19 handle all 5500 customers, and you're going</p> <p>20 to be going to someplace where you're</p> <p>21 looking at 500,000 customers or something in</p> <p>22 the case of Public Service?</p> <p>23 A. (By Mr. Gelineau) That's true.</p> <p>24 Q. And you're not going to be able to handle</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 57</p> <p>1 all of those.</p> <p>2 A. (By Mr. Gelineau) We have that situation</p> <p>3 today. And quite frankly, we are looking at</p> <p>4 trying to start a marketing campaign. We</p> <p>5 don't -- customers are not banging down the</p> <p>6 door to get this stuff. And I think that</p> <p>7 we -- I think that the Commissioners may be</p> <p>8 aware that there's a companion program that</p> <p>9 we just started with the Better Buildings</p> <p>10 Program, which is giving -- which is putting</p> <p>11 additional money into this particular</p> <p>12 program. And that is going to allow us to</p> <p>13 do some extra homes. And our concern right</p> <p>14 now is not that we have too many customers,</p> <p>15 but can we get everybody that we have monies</p> <p>16 available for. So we are definitely going</p> <p>17 to be doing some marketing to reach out to</p> <p>18 those customers and bring them in.</p> <p>19 There is another thing here going on,</p> <p>20 and that is that this is a program of</p> <p>21 self-selection. In order to participate in</p> <p>22 the program, customers need to have this</p> <p>23 gas-gauge home heating index that says that</p> <p>24 they have sufficient opportunity within</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 59</p> <p>1 their own money yet to put in</p> <p>2 energy-efficiency measures, as compared to</p> <p>3 the person who went out and spent money and</p> <p>4 bought new windows and maybe a more</p> <p>5 efficient furnace or put in insulation, so</p> <p>6 that their consumption of fuel was lower, as</p> <p>7 compared to the neighbor across street who</p> <p>8 didn't. The first house who spent their own</p> <p>9 money, your little formula would say too</p> <p>10 bad, you don't qualify; whereas, the person</p> <p>11 who chose not to spend their own money would</p> <p>12 qualify; is that correct?</p> <p>13 A. (By Mr. Gelineau) Presumably if they got a</p> <p>14 good deal on the first house, that's</p> <p>15 absolutely true.</p> <p>16 Q. So we got through that part. Let me see.</p> <p>17 Well, let's go over this, because this</p> <p>18 was something you sort of brought up when</p> <p>19 you talked about DR in the Forward Capacity</p> <p>20 Market. So you kind of look at -- I'm just</p> <p>21 trying to get an idea on where we go with</p> <p>22 the limits of this program. Now, I've heard</p> <p>23 you say it would apply to all customers.</p> <p>24 And this, again, either one of you answer as</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 58</p> <p>1 their home to be able to justify our</p> <p>2 visiting and doing an audit. And so that is</p> <p>3 a process that they need to go through.</p> <p>4 They can either do it online themselves or</p> <p>5 call us, and we'll help them through the</p> <p>6 process. But we need to have some data from</p> <p>7 them that will allow us to determine that</p> <p>8 they are in fact qualified or that the</p> <p>9 potential exists at their particular</p> <p>10 residence to make it worthwhile to go out</p> <p>11 there and work with them.</p> <p>12 Q. And that potential in the short term is</p> <p>13 basically how much do you -- how much fuel</p> <p>14 do you consume, converted to Btus, divided</p> <p>15 by the square footage of your house.</p> <p>16 A. (By Mr. Gelineau) That's correct. That's</p> <p>17 the starting point. And we also do require</p> <p>18 that we have billing data, so that we know</p> <p>19 that they actually -- some verification, so</p> <p>20 when they say they use 2,000 gallons of oil,</p> <p>21 we'd like to, you know, validate that that</p> <p>22 in fact is true.</p> <p>23 Q. Okay. So, I mean, to some extent then, this</p> <p>24 is targeting the people that haven't spent</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 60</p> <p>1 appropriate, please.</p> <p>2 So let's say there was a residence that</p> <p>3 had received, from one of the various</p> <p>4 programs, grants to put in either a solar or</p> <p>5 wind project, and they had been doing net</p> <p>6 metering, and they had little net electric</p> <p>7 consumption. So they were effectively</p> <p>8 paying very, very little systems benefits</p> <p>9 charge because their electric bill was</p> <p>10 extremely small because of this net metered</p> <p>11 solar or wind project. Would they be</p> <p>12 eligible under your proposal?</p> <p>13 A. (By Mr. Gelineau) Yes.</p> <p>14 Q. And let's go to the further extreme. Let's</p> <p>15 say their net meter was so effective, they</p> <p>16 consumed absolutely no electricity. Would</p> <p>17 they still be eligible?</p> <p>18 A. Under the current proposal, yes.</p> <p>19 Q. Okay. One more step. Their house doesn't</p> <p>20 have electric service to them at all, but</p> <p>21 they burn fuel. They -- for whatever</p> <p>22 reason, they decide to live in the woods and</p> <p>23 they burn -- have a wood-burning stove and</p> <p>24 propane lights. They would qualify -- let's</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 61</p> <p>1 assume they qualify under your --</p> <p>2 A. (By Mr. Gelineau) No, they would not</p> <p>3 qualify.</p> <p>4 Q. Pardon?</p> <p>5 A. (By Mr. Gelineau) They would not qualify.</p> <p>6 They need to have an electric account.</p> <p>7 Q. So, only for electric account users.</p> <p>8 A. (By Mr. Gelineau) Correct.</p> <p>9 Q. Just want to see if we can draw the line</p> <p>10 here a little bit.</p> <p>11 A. (By Mr. Gelineau) Sounds like we don't draw</p> <p>12 it very closely, do we.</p> <p>13 Q. No. That was kind of my question.</p> <p>14 A. (By Mr. Palma) Well, not to belittle the</p> <p>15 subject, but the PV and the wind person</p> <p>16 would have to have some kind of data to show</p> <p>17 what their usage was, to prove that they</p> <p>18 actually had electric heat usage that would</p> <p>19 allow them into the program.</p> <p>20 Q. Well, under the new program they wouldn't</p> <p>21 need to electric heat. Let's say they heat</p> <p>22 with oil but their electric was from solar.</p> <p>23 A. (By Mr. Palma) Right. Whatever they use,</p> <p>24 they have to go into the test, if it was oil</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 63</p> <p>1 weather stripping or insulation into the</p> <p>2 deal to make it worthwhile. So you're</p> <p>3 proposing -- again, I'm trying to get limits</p> <p>4 on the program here. We've decided that you</p> <p>5 have to be an electric customer, but you</p> <p>6 don't have necessarily have to buy any</p> <p>7 electric. And the program would also cover</p> <p>8 the use of such things as oil, propane,</p> <p>9 wood. I'm assuming with the wood, you</p> <p>10 wouldn't have to show bills for the wood if</p> <p>11 you cut wood on your own property? Would</p> <p>12 that qualify?</p> <p>13 A. (By Mr. Gelineau) We would look for some</p> <p>14 proof in terms of the amount of use.</p> <p>15 Q. But you wouldn't need to necessarily buy the</p> <p>16 fuel if you had a wood supply of your own.</p> <p>17 A. (By Mr. Gelineau) No. No, not if you -- we</p> <p>18 would try to work with somebody that was in</p> <p>19 that situation.</p> <p>20 Q. Now, what about other things that we know</p> <p>21 would be -- that reduce energy consumption</p> <p>22 in a home, especially when it comes to</p> <p>23 heating and cooling? Would putting in</p> <p>24 bushes and shrubs and trees be covered under</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 62</p> <p>1 or electric or propane.</p> <p>2 Q. But my point is, I guess, they could not</p> <p>3 consume any electric, not pay any system</p> <p>4 benefit charge, and they would be eligible</p> <p>5 for funding under this program.</p> <p>6 A. (By Mr. Gelineau) That's true, Commissioner.</p> <p>7 But I guess I think a good question to ask</p> <p>8 as well as that would be, is the person that</p> <p>9 has PV, solar and wind systems installed</p> <p>10 likely to be a person that has a very poorly</p> <p>11 insulated home? And it's probably not --</p> <p>12 that would probably be a very small set of</p> <p>13 people.</p> <p>14 Q. Or I suppose it depends on how lucrative the</p> <p>15 insulation process would be. They might</p> <p>16 plan ahead that way on the idea of getting a</p> <p>17 grant. So, you really don't know.</p> <p>18 It seems like you had mentioned this a</p> <p>19 few times now, that you need to be able to</p> <p>20 have the whole package deal. In other</p> <p>21 words, you can't come in, and you used the</p> <p>22 term change a light bulb in a refrigerator,</p> <p>23 or put in a more energy-efficiency appliance</p> <p>24 or something like that. You have to bring</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 64</p> <p>1 this? Because we know if you shade your</p> <p>2 central air conditioning heat dump, for</p> <p>3 example, or have shading around your house</p> <p>4 in the summertime, those will all reduce</p> <p>5 energy consumption. Would they be eligible</p> <p>6 under this? I mean, given that whole</p> <p>7 package you want to do, are you getting into</p> <p>8 the landscaping business as well or...</p> <p>9 A. (By Mr. Gelineau) I don't -- what we</p> <p>10 typically look at is the cost-effectiveness</p> <p>11 of any particular measure. And we are open</p> <p>12 to considering new measures, but that is not</p> <p>13 one of the measures that we're currently</p> <p>14 using --</p> <p>15 Q. But if --</p> <p>16 A. (By Mr. Palma) On that topic, there is a</p> <p>17 group in Massachusetts looking at the tree,</p> <p>18 shrubbery on the air conditioning side, more</p> <p>19 on the commercial and industrial. But it's</p> <p>20 a special specialized application that</p> <p>21 normally is applied in hotter climates, such</p> <p>22 as California and places like that. So we</p> <p>23 don't have any definitive information that</p> <p>24 would make those projects cost-effective</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 65</p> <p>1 yet.</p> <p>2 Q. Right. But let's just say someone, for some</p> <p>3 unknown reason, put the central air</p> <p>4 conditioning heat dump on the south side of</p> <p>5 their house and it sat in the sun all day,</p> <p>6 and they could show that by putting in a</p> <p>7 number of bushes and shrubs and whatever</p> <p>8 would reduce it by a certain amount. They</p> <p>9 would at least be eligible for</p> <p>10 consideration; is that correct? I'm not</p> <p>11 saying -- I'm not asking you to do the math.</p> <p>12 But they wouldn't be explicitly excluded</p> <p>13 under this program.</p> <p>14 A. (By Mr. Gelineau) We are willing to consider</p> <p>15 innovative ideas on what might provide an</p> <p>16 energy-saving opportunity that's</p> <p>17 cost-effective.</p> <p>18 Q. And you've mentioned climate change a number</p> <p>19 of times and climate change plans. So</p> <p>20 again, I'm trying to get an idea of where</p> <p>21 you try to draw the line here.</p> <p>22 What about -- you think this money</p> <p>23 should go to tuning up cars? After all,</p> <p>24 that cuts down -- improves the efficiency of</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 67</p> <p>1 were consuming energy on, the program would</p> <p>2 be looking at it as a over program to reduce</p> <p>3 energy, however it was used. And a lot of</p> <p>4 this -- and you -- it's also been mentioned</p> <p>5 a couple of times about funding levels.</p> <p>6 So, as the program like this would</p> <p>7 expand, and you see all these going from an</p> <p>8 opportunity of 5500 residents to 500,000</p> <p>9 residents, whatever, or maybe more than that</p> <p>10 when you put in all the utilities, as a</p> <p>11 potential, not necessarily as necessarily</p> <p>12 ones that are going to sign up, but as a</p> <p>13 potential thing, it seems to me as if the</p> <p>14 next logical step is to increase -- is for</p> <p>15 attempts to increase the fund. See how much</p> <p>16 wonderful stuff we can do now. If we only</p> <p>17 had twice as much money, we could do twice</p> <p>18 as much wonderful stuff.</p> <p>19 Does your company, either one of you,</p> <p>20 have any plans to try to request increase</p> <p>21 for the system benefit charge to fund this</p> <p>22 program?</p> <p>23 A. (By Mr. Palma) I mean, we're already in the</p> <p>24 program basically at the level of, you know,</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 66</p> <p>1 cars. I mean, they burn less gas, less</p> <p>2 pollution. Is that something that's open to</p> <p>3 this, or is it only attached to the house</p> <p>4 and the land? How would you make a</p> <p>5 differentiation there?</p> <p>6 A. (By Mr. Gelineau) That's not currently in</p> <p>7 the plan right now.</p> <p>8 Q. Does the plan explicitly forbid something</p> <p>9 like that?</p> <p>10 A. (By Mr. Gelineau) All I can think of is</p> <p>11 somebody living in their car. No, that's</p> <p>12 not the plan right now, Commissioner.</p> <p>13 Q. My daughter at times lives in her van. If</p> <p>14 she moved to New Hampshire, would she be</p> <p>15 eligible?</p> <p>16 A. (By Mr. Palma) Does she have a meter? If</p> <p>17 she has a meter, she might be.</p> <p>18 Q. She has a gas gauge. I think it's working</p> <p>19 now.</p> <p>20 A. (By Mr. Palma) That doesn't count.</p> <p>21 Q. You had mentioned this before, 'cause it</p> <p>22 does seem like you're targeting this package</p> <p>23 deal, all encompassing, the fact that it</p> <p>24 would be whatever you -- whatever things you</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 68</p> <p>1 it's fuel-neutral. We have established</p> <p>2 rebate protocol. And this year's a little</p> <p>3 bit more of a struggle than last year to</p> <p>4 actually meet the goals that we set out.</p> <p>5 Our company has no intention of asking for</p> <p>6 more money for this program going forward.</p> <p>7 Q. Public Service?</p> <p>8 A. (By Mr. Gelineau) We have no plans to</p> <p>9 request additional funding at this time.</p> <p>10 I think that you're probably aware that</p> <p>11 this is one of the recommendations that</p> <p>12 appears repeatedly in the Vermont study,</p> <p>13 that funding needs to be increased. We have</p> <p>14 been actively participating in discussions</p> <p>15 around that and will continue to do that.</p> <p>16 But we have no plans right now to ask for</p> <p>17 additional funding.</p> <p>18 Q. I think you'll see that recommendation in</p> <p>19 any study that --</p> <p>20 A. (By Mr. Gelineau) Potentially. You're</p> <p>21 correct.</p> <p>22 Q. This is the part that I'm having a little</p> <p>23 bit of trouble figuring out.</p> <p>24 You talked about the electric heat</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 69</p> <p>1 customers. And I think maybe I got this 2 number wrong. You talked, again, around 3 5500 people or customers who are involved, 4 and the participation level was extremely 5 low, even though you apparently had pretty 6 much direct contact with every one of them. 7 So it wasn't like you had an ad on 8 Channel 9, "If you got electric heat, give 9 us a call." You actually sent them 10 something in the mail or whatever? I assume 11 that doesn't work or -- 12 A. (By Mr. Gelineau) Eighty-five hundred 13 customers received direct mail from us, 14 along with a brochure asking for their 15 participation. 16 Q. And yet, you said that a very small number 17 of those actually participated; is that 18 correct? 19 A. I tried not to use -- I think I said 20 4 percent. The number is 396, I believe. 21 Q. That's a very small number, I think. 22 A. (By Mr. Gelineau) Okay. I tried not to 23 characterize it. 24 Q. Okay. We'll say 4 percent then.</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 71</p> <p>1 8500 customers. We had exactly 4-1/2 2 percent that have actually participated in 3 the program in the calendar years 2010, 4 2011. So, both of those numbers -- and that 5 reflects the electric heat participants. 6 The other participants, the other 7 96 percent, were other fuels. 8 So, if your question is why do we 9 expect additional will participate, I mean, 10 it's -- I'm not sure that more electric heat 11 customers will participate. 12 Q. Well, let me clarify my question, and maybe 13 I can target it and make it a little bit 14 clearer. It was probably kind of ambiguous. 15 I apologize. 16 When you had this basically around the 17 same amount of money targeted at a much 18 smaller population, just the electric heat 19 users, I'm assuming -- and correct me if I'm 20 wrong -- that there was more money per 21 resident available at that time? 22 A. (By Mr. Gelineau) No. The customers -- it's 23 about the -- there's been some changes that 24 made comparisons difficult, and Mr. Palma's</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 70</p> <p>1 Well, given that, why do you expect 2 that there would be a much higher 3 participation -- and maybe you don't. Maybe 4 that's all you expect. But it would seem to 5 me, with -- you're talking about people that 6 have pretty high heating bills if they're 7 using electric heat. So now we're moving 8 across to people who have probably pretty 9 much the same -- I don't know the exact 10 numbers now. Maybe it's just a little 11 cheaper for oil. But it's in the ballpark. 12 If you go to oil customers, there's been a 13 number of years of tax rebates, where people 14 could buy insulation or windows or whatever 15 and get a tax break on those. So why would 16 you think that now, just because you're not 17 using electric heating customers, why would 18 you anticipate anything higher than 19 4 percent? Or maybe you're not. 20 A. (By Mr. Gelineau) Four percent of the total 21 number of customers -- okay. We have this 22 number 4 percent comes up in a couple 23 places. In one place, 4 percent was the 24 response rate from our direct mailing for</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 72</p> <p>1 pointing that out. But the overall spending 2 has been reasonably -- it's gone up a little 3 bit, but it's been reasonably constant. 4 What's changed is the amount that might be 5 contributed by the utility. That has gone 6 down. We had been providing 75 percent of 7 the funds towards the completion of these 8 programs, and we're currently at 50 percent. 9 Q. Excuse me. When you say "utility," do you 10 mean ratepayers or the actual stockholders? 11 A. (By Mr. Palma) Ratepayers. 12 A. (By Mr. Gelineau) I mean the systems 13 benefits charge -- 14 Q. So, the ratepayers. 15 A. (By Mr. Gelineau) -- is contributing 16 50 percent right now to the cost of that 17 program. You had kind of indicated, well, 18 what happens if the demand -- you seemed to 19 be looking at what happens if demand goes 20 up. Well, one of the things that has 21 happened is that the rebate goes down. And 22 we have that as a going-forward way of 23 trying to deal with additional customers. 24 If it turns out that we have a great deal of</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 73</p> <p>1 demand and we don't need to use a 50-percent 2 rebate, we'll cut that back.</p> <p>3 Q. So you're going to -- you're just going 4 forward on this. If it goes through, you'd 5 be starting out looking at about the same 6 percentage, that same 4 percent. But that's 7 going to be 4 percent of a much bigger 8 number. So you'd have more potential 9 customers or probably more people that will 10 sign up for the program at least?</p> <p>11 A. (By Mr. Gelineau) I'm not clear about the 12 4 percent. I'm sorry.</p> <p>13 Q. I thought you said --</p> <p>14 A. (By Mr. Gelineau) But we have capacity for, 15 I think this year is something like 562 16 single-family homes with Public Service, 17 okay. So we're looking to get 100 percent 18 of those 562.</p> <p>19 Q. And is that under the pilot program or the 20 pre-pilot?</p> <p>21 A. (By Mr. Gelineau) This is under the program 22 for 2012, which has been labeled "the pilot 23 program." And going forward, we're talking 24 about doing exactly the same thing. The</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 75</p> <p>1 amount of people. And the only way to know 2 this is to actually do our marketing like we 3 planned on doing, probably later this year. 4 We don't know for sure. There's a lot of 5 theories. Until you actually do the 6 marketing and see who comes in, we would 7 never know of those electric heat customers 8 who's coming in. But we do know if the 9 4 percent was the magic number, we'd have 10 about 2400 customers. And maybe over the 11 last 10 years we've done 4- or 500. So 12 there's about a couple thousand left. And 13 there's new homes being built, and that 14 turns into old homes and whatnot.</p> <p>15 Q. So, just -- this is the part I'm trying to 16 get a little bit straight here. This was a 17 stated a number of times: "Without 18 weatherization, it's not cost-effective." 19 But with it, it seems like at least a lot of 20 customers, even if you offer that, don't 21 want to participate, anyways, as evidenced 22 by the small amount of electric heat people 23 that participated. 24 So, my -- I think -- let me see if get</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 74</p> <p>1 only thing that's changing is the "pilot" 2 disappears. But I mean the program and 3 everything about it is consistent.</p> <p>4 A. (By Mr. Palma) For Unitil, we have 5 approximately 60,000 residential customers. 6 And if 4 percent is the magic number, we'd 7 be looking at 2400 all fuel customers.</p> <p>8 Q. Twenty-four hundred.</p> <p>9 A. (By Mr. Palma) Twenty-four hundred. And 10 we'd do something like 60 units a year. So 11 that's several -- you know, that's 40 years 12 of customers, which would make a sustainable 13 program versus -- you know, in my -- in our 14 calculations, I think we came out with we 15 think there's 800 electric heat customers. 16 When I look at the numbers, I personally 17 think there's less than 100 that actually --</p> <p>18 Q. That actually uses --</p> <p>19 A. (By Mr. Palma) -- would actually qualify for 20 the program. And there's probably half or 21 less than that that would actually even pick 22 up the phone and call us to want to do 23 something. So you're down to maybe a third, 24 maybe, a year. It's not a sustainable</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 76</p> <p>1 kind of the conclusion here correct, that 2 even though you don't anticipate a 3 percentage of the other fuel people being 4 much higher than the electric heat people 5 do, the number of them is big enough so that 6 you'll increase your potential population; 7 is that correct?</p> <p>8 A. (By Mr. Gelineau) I'm afraid that there's a 9 confusion with this 4 percent. Four percent 10 doesn't mean anything, from my perspective, 11 other than the fact that that happened to be 12 the response rate from a particular 13 offering. Again, we're trying to have 562 14 customers sign up for the program. We 15 expect that five of them will be electric 16 heat. I think there's some 200-some that 17 are oil heat. There's another -- there's 18 one that's kerosene. These are all 19 projections. But I mean this is what we 20 projected in our plan. And the actual 21 results may vary, but --</p> <p>22 Q. And is part of the reason for the expansion 23 to other fuels, then, the fact that you 24 simply were going to run out of</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 77</p> <p>1 electric-heat-only customers?</p> <p>2 A. (By Mr. Gelineau) That is absolutely</p> <p>3 correct.</p> <p>4 Q. And kind of going on that a little bit,</p> <p>5 before you had this HPwES pilot -- so you</p> <p>6 were basically restricted to electric heat</p> <p>7 customers for weatherization services -- how</p> <p>8 much was being spent on home electric</p> <p>9 savings on non-electric heated homes for</p> <p>10 something other than, obviously, fuel</p> <p>11 savings? You know, could be lighting or</p> <p>12 appliances or whatever. Was that fairly</p> <p>13 minor or --</p> <p>14 A. (By Mr. Gelineau) I would think -- I don't</p> <p>15 know the answer to that question right off</p> <p>16 the top of my head. I would expect it's not</p> <p>17 a significant part of the total, though.</p> <p>18 Q. Okay. This is, I think, my last, or pretty</p> <p>19 close to my last round of questions. And</p> <p>20 this has to do with, I guess, the new</p> <p>21 program has kind of opened up. And this is</p> <p>22 this whole fairness issue, to some extent;</p> <p>23 total energy savings versus just plain</p> <p>24 electric energy savings, where in the past</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 79</p> <p>1 demand of electricity, they tend to lower</p> <p>2 LMP. And especially during times of peak</p> <p>3 demands they lower LMPs; is that correct?</p> <p>4 A. (By Mr. Gelineau) I would say that's</p> <p>5 correct, yes.</p> <p>6 A. (By Mr. Palma) But it wouldn't help out in</p> <p>7 the summer.</p> <p>8 Q. I'm sorry?</p> <p>9 A. (By Mr. Palma) Saving electric heat will not</p> <p>10 help out the summer --</p> <p>11 Q. Right. No. Well, who knows. This summer</p> <p>12 it might.</p> <p>13 A. (By Mr. Palma) Is that a prediction?</p> <p>14 Q. My wife's had the heat on three days this</p> <p>15 week, so...</p> <p>16 And then, you know, that's -- so that's</p> <p>17 one of the things. But as far as saving on</p> <p>18 any other fuel, if someone consumes less oil</p> <p>19 or less kerosene or less propane or less</p> <p>20 wood, that's not going to have any effect on</p> <p>21 lowering LMPs, no matter how much they</p> <p>22 consume less; is that correct?</p> <p>23 A. (By Mr. Gelineau) That's correct.</p> <p>24 Q. Okay. And you also mentioned the demand</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 78</p> <p>1 the program dealt with electric energy</p> <p>2 savings. Now, a couple of things about</p> <p>3 that, and then just to make sure I'm not</p> <p>4 missing something.</p> <p>5 As far as -- and let's, for the sake</p> <p>6 argument here, let's limit those associated</p> <p>7 savings with not having your fan run on your</p> <p>8 electric heat, because I think those are</p> <p>9 pretty trivial compared to the overall ones</p> <p>10 we're talking about.</p> <p>11 But when we concentrated only on</p> <p>12 electric savings, there was a reduction in</p> <p>13 LMPs associated with that using less</p> <p>14 electricity; is that correct? You use less</p> <p>15 electricity if the LMP is lower than if you</p> <p>16 use more electricity.</p> <p>17 A. (By Mr. Gelineau) Are you referring to</p> <p>18 locational marginal price?</p> <p>19 Q. Correct. Yes.</p> <p>20 A. (By Mr. Gelineau) And I'm sorry,</p> <p>21 Commissioner. The question that you're</p> <p>22 asking is?</p> <p>23 Q. Well, I'm saying if you have</p> <p>24 energy-efficiency programs that reduce</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 80</p> <p>1 response program. And my understanding is</p> <p>2 that these energy-efficiency programs that</p> <p>3 are done either from a passive, such as</p> <p>4 light bulbs that are more efficient, or</p> <p>5 active, that can be actually be turned on</p> <p>6 and off with some type of demand response to</p> <p>7 actual system conditions, that allows them</p> <p>8 to put together -- and I think the utilities</p> <p>9 do this -- you put bids into the Forward</p> <p>10 Capacity Auction? You mentioned this</p> <p>11 before; correct?</p> <p>12 A. (By Mr. Gelineau) Correct.</p> <p>13 Q. Okay. So, having more electrical savings</p> <p>14 would allow potentially for more DR bids</p> <p>15 into the Forward Capacity Market; is that</p> <p>16 correct?</p> <p>17 A. (By Mr. Gelineau) That's correct. If you</p> <p>18 have the electric savings, you can bid them</p> <p>19 in.</p> <p>20 Q. But no matter how much you save on oil or</p> <p>21 gas -- or I shouldn't say gas -- oil or</p> <p>22 kerosene or propane or whatever, there's</p> <p>23 going to be no -- you know, you can't bid</p> <p>24 that into the Forward Capacity Market, nor</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 81</p> <p>1 any other market that's willing to pay you 2 for it right now; is that correct? 3 A. (By Mr. Gelineau) That's correct. But the 4 point that we're trying to also bring forth 5 is that, unless you seek those other 6 savings, you're going to leave a lot of 7 electric savings on the table as well. 8 Q. Okay. Fair enough. And the last one I 9 wanted to mention on that same line is we 10 have -- I don't know if you're familiar with 11 this, you may not be -- the electrical 12 savings that we're getting from the 13 energy-efficiency programs have recently 14 been incorporated into the transmission 15 planning process in New England. In fact, 16 they have been put into the Vermont-New 17 Hampshire 10-year needs assessment. And the 18 result is just for Vermont-New Hampshire, 19 over the next 20 years there's about a 20 \$200-plus million savings in either deferred 21 or completely eliminated transmission 22 building. 23 Now, again, electrical energy savings 24 will add to that. But no matter how much we</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 83</p> <p>1 A. (By Mr. Gelineau) What we're saying is that 2 it's likely that we would have to find some 3 other program or some other way to 4 effectively use the systems benefits charge 5 funds. If we are only weatherizing electric 6 homes, it's likely that we won't be able to 7 weatherize any homes. We'll have to do 8 something else, likely. I don't want to say 9 categorically we're at this point. But I 10 think it's fair to say that if you don't do 11 the weatherization, the program won't be 12 cost-effective. And if it's not 13 cost-effective, then what are you going to 14 do? And I think we are struggling with this 15 issue in not only this arena, but if you 16 look at lighting, lighting is another area 17 where that has been the cash cow, if you 18 will, for energy-efficiency programs. It's 19 got the best benefit cost ratio 20 traditionally. And it's the place that 21 we're able to make the most savings for the 22 least dollars. But there, again, the 23 lighting world is turning upside down with 24 the changes in standards. We anticipate</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 82</p> <p>1 save on oil and wood, or whatever you use to 2 heat your house with besides electricity, 3 it's not going to have any effect on 4 transmission planning, say, because -- 5 A. (By Mr. Gelineau) That's certainly true. 6 But I think that -- and this is certainly a 7 policy question -- there are other benefits 8 for these other fuels being saved. 9 Q. I understand that. Right. 10 A. (By Mr. Gelineau) Okay. So it's not a zero 11 sum gain. I mean, there are other savings 12 in other arenas. Now, whether or not that's 13 appropriate, that's beyond my -- why I'm 14 here. 15 Q. And I am coming to an end here. I'm trying 16 to get where you're heading on this thing. 17 Would I be correct in heading down this 18 direction: What you're saying is that, 19 given the restraints on the present program 20 to limit the residential portion to just to 21 electric heat, that you could not find 22 enough other potential savings to use the 23 money on if it's not expanded to allow this 24 fuel-neutral program?</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 84</p> <p>1 that it's going to -- it may be difficult to 2 justify providing continued rebates for some 3 of the lighting products. 4 Now, at the same time that the CFL and 5 incandescent battle is being waged, LED 6 lights are coming in. Their prices are 7 dropping. So it's a market that's in great 8 flux. We're watching it closely. But it is 9 a concern that we have that. You know, the 10 thing that has provided the big savings in 11 the past for the low dollars is another area 12 that is in flux. And we're looking for 13 things that, you know, we can use and do 14 cost-effectively that are going to be of 15 benefit to customers. 16 Q. And just on that issue, the residential 17 portion of this, is there a fixed ratio 18 that's required in your -- I mean, I know 19 you have those categories that we've seen on 20 the charts here. How do those come up? The 21 residential, commercial, industrial, you 22 know, is that -- 23 A. (By Mr. Gelineau) What we looked at 24 traditionally is to try to provide funding</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 85</p> <p>1 for programs in proportion to the 2 contributions to the systems benefits charge 3 of residential and C & I customers. That 4 proportion is worked out after the 5 low-income program has been funded by both 6 C & I and residential customers. And right 7 now, just for sake of numbers, it's close to 8 the 50/50. It's probably 49/51 residential/ 9 C & I in terms of the overall split.</p> <p>10 Q. But if, let's say, for example, because 11 there was a -- it was becoming more 12 difficult to find cost-effective 13 energy-efficiency measures in residential 14 houses, if more additional money was 15 transferred to commercial and industrial, if 16 that were done, the residential customer 17 would still see the savings advantage 18 through the lower LMPs, the additional DR 19 going to the FCA, and the lower transmission 20 costs in the future; is that correct?</p> <p>21 A. (By Mr. Gelineau) That would be correct. 22 And I think that the issue that would need 23 to be considered is 374-F, which has a 24 section -- I think it's Section VI that</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 87</p> <p>1 electric heat customer and I decide I want 2 to go ahead, do I get preference? Do I get 3 to go the front of the line? Or is it 4 merely most likely my scoring would indicate 5 that I would qualify? How do we work that 6 out?</p> <p>7 A. (By Mr. Gelineau) Right now, it's first 8 come, first serve. We're serving everybody 9 that comes. It hasn't been an issue in 10 terms of trying to prioritize somebody. 11 They're all -- you know, it's first come, 12 first serve.</p> <p>13 Q. And is my presumption correct, that the 14 electric heat customer, I'd probably get -- 15 there would be less doubt that I would be 16 able to qualify and meet the criteria? Is 17 that correct?</p> <p>18 A. (By Mr. Palma) Depends on your usage and 19 your square footage, basically. You know, 20 if you called in October, and for some 21 reason we were actually subscribed for the 22 year, we would just ask you to wait until 23 January. So, ultimately, everybody that 24 wants to get served gets served. They just</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 86</p> <p>1 addresses the idea that the monies from the 2 systems benefits charge need to be provided 3 and distributed in an equitable way to all 4 customers. And we traditionally interpreted 5 that as trying to provide a proportional 6 benefit or proportional funding for 7 residential programs and C & I programs 8 based on the amount contributed by each of 9 those customer classes, if that makes sense.</p> <p>10 Q. Thanks very much, gentlemen. Appreciate 11 your answers.</p> <p>12 A. (By Mr. Palma) Sure.</p> <p>13 CHAIRMAN IGNATIUS: Commissioner 14 Scott.</p> <p>15 INTERROGATORIES BY CMSR. SCOTT:</p> <p>16 Q. Good afternoon. And thank you. It's been a 17 long day, I'm sure, for you both. You've 18 been up there for a while.</p> <p>19 On the program design itself, obviously 20 we've heard it in quite some length, the 21 electric -- the pool of electric heat 22 customers who haven't taken advantage of the 23 program yet.</p> <p>24 In the current construct, if I am an</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 88</p> <p>1 may have to wait a few months, that's all.</p> <p>2 Q. Okay. And again, this is all traveled 3 ground from today. We've talked at some 4 length -- you've talked at some length 5 regarding the viability of having a 6 weatherization program without going 7 fuel-neutral, and that the benefits -- in 8 fact, you mentioned the GDS study, if I 9 remember correctly -- to get some of the 10 remaining electric reductions, you really 11 need to go down the fuel-neutral road. Is 12 that a correct statement?</p> <p>13 A. (By Mr. Palma) That's the recommendation in 14 the GDS study. And that is our experience 15 right now, in terms of being able to 16 cost-effectively serve customers with a 17 program like this.</p> <p>18 Q. I was wondering if you can elaborate more on 19 how they -- is it to get the customer in the 20 door you need the fuel-neutral? Is it the 21 fact that when you're looking at them and 22 you're in the door, you see things?</p> <p>23 A. (By Mr. Gelineau) If you're going to have an 24 energy savings program, you need to save</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 89</p> <p>1 energy. The big-ticket item in the home is 2 the fuel for heating. And if you don't -- 3 if you ignore that piece, there's just not 4 enough energy savings there to capture. And 5 so from a cost benefit standpoint, it really 6 doesn't -- either electric heat or heating 7 with another fuel provides a sufficient 8 benefit at a cost that makes it very 9 worthwhile to go in and do the work from a 10 cost benefit standpoint. Without that 11 piece, your -- the amount of savings that 12 you can achieve by changing out lightbulbs 13 in a home, for example, and putting in a 14 better refrigerator, there's just not enough 15 energy savings there to justify going out to 16 the home, working with a customer to make 17 those savings. You're better off looking 18 at, you know, providing them with a catalog, 19 telling them to go to Home Depot and buy 20 some lights. It's just the home delivery 21 part of this is just too expensive to do if 22 you're not doing the weatherization. 23 Q. So if I could paraphrase -- and again, I'm 24 trying to get at that electric component of</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 91</p> <p>1 So they are doing those. This is a 2 supplement to that. And it is a -- there's 3 a certain closure that you get by doing it 4 in this way. You have people that -- 5 professionals who are going into the home 6 and making sure that the lights do get 7 changed. They just don't buy them and stick 8 them on a shelf, for example. So the lights 9 that are purchased under this program are 10 actually installed. And that's one of the 11 things that was noted in the Cadmus review, 12 for example, that we really needed to make 13 sure that our auditors were not just 14 bringing and dropping off bulbs, but they're 15 actually installing those bulbs, so that 16 they're actually doing the job. 17 Q. And the mechanics, again, in the program -- 18 I've signed up for the program, and I want 19 my oil burner changed to be more efficient, 20 let's say. Can I then elect not to have my 21 whatever electrical component that's 22 identified not done? 23 A. (By Mr. Palma) You'd have to have -- the 24 light fixtures would be retrofit using the</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 90</p> <p>1 it -- so it makes sense in the context of if 2 you're there already doing other issues, you 3 can get some of the smaller electric issues 4 that wouldn't necessarily -- that nobody 5 would most like pursue otherwise? Is 6 that -- 7 A. (By Mr. Gelineau) That's exactly correct. 8 Q. Thank you. That's helpful. 9 And on the same front, if it was -- say 10 there wasn't a fuel-neutral program -- I 11 guess we just answered the question, but 12 I'll ask it differently, I suppose. 13 CMSR. SCOTT: Am I going too 14 fast? No? Okay. 15 THE COURT REPORTER: Go ahead. 16 BY MR. SCOTT: 17 Q. Would customers do the electric improvements 18 alone? It sounds like no -- or I don't want 19 to put words in your mouth. 20 A. (By Mr. Gelineau) They would potentially do 21 some of them. You know, I don't want to say 22 that -- some people are doing them without 23 this. We have programs for lighting, for 24 example. We have a program for appliances.</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 92</p> <p>1 CFLs. If there was a recommendation on one 2 of the appliances that would be made -- 3 again, we don't force customers to do any 4 measure in this sense. It's really up to 5 the customer to make the decisions on what 6 they want to do. 7 A. (By Mr. Gelineau) To answer your question 8 directly, yes, you could do that. So in 9 other words, if you had a failed oil burner, 10 what we have is if you have an auditor go 11 out and review the situation, notes that the 12 burner has failed, we do have a rebate 13 associated with purchasing a high-efficiency 14 unit. So there's a scale based on buying a 15 high-efficiency unit. And that rebate would 16 be available if -- but our encouragement 17 is -- our preferred path is to get people to 18 do the weatherization measures first. But 19 if your burner's failed and you don't have 20 any heat, then what we're trying to do is 21 recognize that in that situation people are 22 going to behave differently. They're going 23 to go out and buy another oil system, if 24 that's what they have. And so we have</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 93</p> <p>1 designed the program so that it allows them 2 to participate in the program and get 3 advantage of the rebate associated with that 4 new oil system. And we would continue to 5 work with them to try and get them to do the 6 insulation measures. But if they have a 7 failed burner, you know, you're going to -- 8 that's an emergency. You're going to 9 address that first. And so, rather than 10 having them buy a standard efficiency, we're 11 going to try and get them to upgrade. 12 Q. Okay. 13 A. (By Mr. Palma) Just to quote or paraphrase 14 the GDS study, they -- there is a statement 15 in the study suggesting that replacing 16 heating equipment does lead to significant 17 savings. So, in some houses, replacing the 18 heating equipment may be the best measure. 19 Q. But hopefully an auditor would -- 20 A. (By Mr. Palma) Right. We always send an 21 auditor out. And if they see a failed or 22 failing piece of heating equipment and 23 there's insulation -- if we were to analyze 24 every project, you might find heating</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 95</p> <p>1 load from AC. I know intuitively we know 2 that. I was just curious if you had any 3 data. 4 A. (By Mr. Gelineau) The data that we have is 5 limited to what's in the GDS study. As I 6 indicated before, they have indicated that 7 for a fossil home, it's in the order of 8 magnitude of 1050 kilowatts annually 9 associated with a home that has central air 10 conditioning. That's the overall electric 11 savings that one might achieve. But 12 that's -- and that would be for a home that 13 is -- the specific wording, as far as 14 how that -- that's the good, out of the 15 good, better, best scenario. And if I 16 remember correctly, the best scenario would 17 save you on the order of 3,000 kilowatt 18 hours. So there's a range. And I would say 19 that the better is only a couple hundred. 20 It's more like 1250. It's not in the middle 21 between 1050 and 3,000. It's more like 22 1250. So that's the kind of range that 23 they're looking at. And typically what -- 24 our program is designed to be at the 1250</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 94</p> <p>1 equipment gives you higher savings than one 2 of the other measures. It doesn't mean we 3 don't want them to do all three. It's just 4 that may be the best bang for that person's 5 buck right there. 6 Q. And thinking out loud, I guess I'm wondering 7 with the existing program if there's a way 8 to -- obviously there's some fuel-neutral 9 part that would get people in the door more 10 readily. Is there a way to steer them 11 towards the electric side as a if you're 12 going to do that, you also have to do this? 13 But that's something to think about. 14 So, moving forward on -- a lot of 15 discussion again this morning regarding 16 electric heat users. And I know it's been 17 in the different reading we've had here with 18 the docket. Clearly, if you do 19 weatherization, there's a benefit for 20 cooling also. And, obviously, I'm not 21 saying anything people don't know already. 22 The cooling demand in the summer is a 23 significant issue also. I was curious if we 24 had any data on the impact of reducing the</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 96</p> <p>1 level, if you will. And those are the -- 2 that does not include changing out any of 3 the circulating pumps or fans to 4 high-efficiency units, okay. That's just 5 doing the weatherization units, and that 6 would include a home that had central air. 7 Q. And on that front, I presume there's, 8 obviously for cost reasons, a lot more 9 people with window air conditioners than 10 central air. Do you have some kind of rough 11 guess on the percentage of your customers 12 that have air conditioning of some sort? 13 A. (By Mr. Gelineau) I have -- when we did this 14 study to look at the heating customers, we 15 also looked at those that had a bump in the 16 summertime. So I've got -- and I don't have 17 it with me, but I think that we do have the 18 numbers of customers who would be -- that 19 show increased usage during the summertime. 20 There again, I can't say whether it's 21 central air or window air, or whether or not 22 they have a big pool and pool filter. I 23 just can say they show more usage in the 24 summertime. And our intent in trying to do</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 97</p> <p>1 that was to be able to capture and identify 2 those customers while we were into the data 3 base looking at that, you know, what's the 4 name and address of those folks, so we could 5 look to market to them as well. 6 Q. And I mentioned when I started this topic 7 about the impact on peak demand. Do you 8 know if anybody's looking at the value of 9 that reduction on peak demand? 10 A. (By Mr. Gelineau) We do publish that as 11 well. And I think that Exhibit 23, I guess, 12 shows what the program's value is on peak 13 demand. There's a column there that shows 14 you what the anticipated reduction on summer 15 and winter savings in kW are. 16 CHAIRMAN IGNATIUS: And 17 that's -- Exhibit 23 was in the prior phase of 18 this proceeding. We saw two pages brought in 19 today; is that right? 20 A. (By Mr. Gelineau) Yes. I'm sorry. I didn't 21 keep track of it, what the exhibits are. 22 But I think it's 23, and it was a two-page 23 exhibit. And this is on Page 24 and 25. 24 A. (By Mr. Palma) December filing.</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 99</p> <p>1 number that was reflective of their 2 estimate, as far as what the savings would 3 be for pumps and fans associated with the 4 furnace or boiler. 5 Q. Thank you for that. 6 And I think lastly, for me, again, on 7 the 1.4 or 1.3 percent going back to the 8 electric heat customers, Staff has obviously 9 talked about the energy -- the EIA data. I 10 was just curious if either one of you have 11 experience in the past using EIA data. 12 A. (By Mr. Palma) No, I do not. 13 A. (By Mr. Gelineau) I have used it. But, 14 again, I -- well, yes, I have used it. 15 Q. Maybe the question I'll ask might get the 16 answer you're about to say. 17 When you have used it, do you find that 18 to be more or less granular, if you will, 19 than doing your own, talking to your own 20 customers and surveying your own customers? 21 A. (By Mr. Gelineau) Certainly I feel as though 22 using the data we have on our own customers 23 is far more accurate. 24 CMSR. SCOTT: Thank you very</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 98</p> <p>1 Q. That was handed out today also. 2 A. (By Mr. Gelineau) Yes. 3 Q. And I think -- I can't remember if it's in 4 the reading or the docket or one of your 5 statements. Is it Cadmus? Is that the name 6 of the company? 7 A. (By Mr. Gelineau) Cadmus, yes. 8 Q. You've asked them to re-look at the impact 9 evaluation; is that correct? 10 A. (By Mr. Gelineau) That's correct. They 11 found some 22.3 million Btus, on average, 12 for the energy savings in a home. And they 13 expressed all of the energy savings in 14 so-called MMBtu or thermal unit. We've 15 asked them to take a look at that and see 16 exactly what -- whether they've got the data 17 to break that out in any more detail as it 18 would relate to electric-specific savings. 19 Q. And do you know when that might be 20 available? Will that be publicly available? 21 A. (By Mr. Gelineau) We'll certainly make it 22 publicly available if we can get it. We 23 are -- we have gotten -- the only thing we 24 have from them at this point is this 42</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 100</p> <p>1 much. 2 CHAIRMAN IGNATIUS: I have a few 3 other questions, but many of them have been 4 addressed. 5 INTERROGATORIES BY CHAIRMAN IGNATIUS: 6 Q. Is it correct that the HPwES program came in 7 partway into 2009? 8 A. (By Mr. Gelineau) On June 4th of 2009 it was 9 approved. 10 Q. And so it's been in operation these last 11 couple of years under the term of a "pilot." 12 Is there anything that's being proposed by 13 the companies to change in the program? 14 A. (By Mr. Gelineau) Nothing at this time. As 15 it's been pointed out, the major change to 16 date has been the cut-back in the rebate 17 from the first two years -- or year and a 18 half, when it was operating at 50 percent -- 19 75-percent rebate, and it's been cut back to 20 50 percent. 21 Q. So the request now is to lift the term 22 "pilot" from it, but otherwise to keep the 23 program as it's currently operating? 24 A. (By Mr. Gelineau) That's the request right</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 101</p> <p>1 now, yes.</p> <p>2 Q. And that means that the budget is not</p> <p>3 expected to be significantly changed from</p> <p>4 what it currently is?</p> <p>5 A. (By Mr. Gelineau) We have no plans to make</p> <p>6 significant changes to the budget.</p> <p>7 Q. Is the eligibility expected to be changed</p> <p>8 from what it currently is?</p> <p>9 A. (By Mr. Gelineau) No, there are no plans for</p> <p>10 doing that, either.</p> <p>11 Q. It would just become one of the permanent</p> <p>12 CORE programs and no longer called a "pilot"</p> <p>13 CORE Program?</p> <p>14 A. (By Mr. Gelineau) Well, I'd just offer my</p> <p>15 sense is -- I don't have my book with me,</p> <p>16 but it's over there on the desk. It's about</p> <p>17 four or five inches worth of binders. We</p> <p>18 have spent the last six months building that</p> <p>19 book. I think from my perspective, I think</p> <p>20 that we would like to stop discussing this</p> <p>21 and get it in back of us. I think we are</p> <p>22 spending a very large amount of staff time</p> <p>23 discussing this issue. And I think that we</p> <p>24 could be better utilizing our time doing</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 103</p> <p>1 A. (By Mr. Gelineau) I think that we're</p> <p>2 constantly looking for additional measures.</p> <p>3 And I think that something Mr. Palma already</p> <p>4 mentioned, the heat pump water heater that</p> <p>5 we're looking at, we're certainly looking at</p> <p>6 air-source heat pumps. We do have a</p> <p>7 geothermal heat pump program. And we're</p> <p>8 open to any suggestions anybody has, Staff</p> <p>9 or other parties that are interested. We</p> <p>10 have, I believe, either the programs -- the</p> <p>11 measures are already in our program, or we</p> <p>12 have a custom process whereby we can put</p> <p>13 something new into the program. So I don't</p> <p>14 know of a way to -- I don't know of a way to</p> <p>15 do a weatherization program that doesn't</p> <p>16 include weatherization measures. And more</p> <p>17 specifically, I guess another way to</p> <p>18 characterize it, a home-delivery program.</p> <p>19 You really -- if you're going to visit a</p> <p>20 residential customer, you really need to get</p> <p>21 some savings in order to make it</p> <p>22 cost-effective.</p> <p>23 Q. In your testimony, you noted that the U.S.</p> <p>24 EPA had evaluated this program and had found</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 102</p> <p>1 something else.</p> <p>2 Q. Mr. Palma, you had said that it's hard to</p> <p>3 find other electric measures to turn to and</p> <p>4 that you would do them if you could find</p> <p>5 them. Could you elaborate a little more?</p> <p>6 Are there any of your programs that you</p> <p>7 think could be expanded in the residential</p> <p>8 sector for greater electric savings if</p> <p>9 monies were shifted back into those programs</p> <p>10 instead of funding the HPwES Program?</p> <p>11 A. (By Mr. Palma) I think if you look down the</p> <p>12 list of programs, the ENERGY STAR Homes</p> <p>13 Program is very dependent on -- and that's</p> <p>14 not going to actually give more electric</p> <p>15 savings, because it's also fuel-neutral.</p> <p>16 So, skipping that and moving through the</p> <p>17 appliance and lighting programs, I don't</p> <p>18 have a great sense on those two programs,</p> <p>19 you know, if those are -- and maybe Mr.</p> <p>20 Gelineau could actually answer that question</p> <p>21 better as to do we typically peak out and</p> <p>22 spend all the money, or do we come up short.</p> <p>23 I don't have the answer at my fingertips.</p> <p>24 Q. Mr. Gelineau, any thoughts?</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 104</p> <p>1 it to be a good one. Can you describe any</p> <p>2 more about what they particularly liked</p> <p>3 about the program?</p> <p>4 A. (By Mr. Gelineau) Some of the things that</p> <p>5 were particularly noteworthy was the fact</p> <p>6 that our program had such a high closure</p> <p>7 rate. Many programs around the country</p> <p>8 have -- they specialize -- I want to say it</p> <p>9 this way: They do a lot of audits, but they</p> <p>10 don't get nearly as many completions of the</p> <p>11 energy-efficiency measures installed.</p> <p>12 There's a big focus on audits and very --</p> <p>13 and not so much on getting the actual</p> <p>14 results done. And when you look at our</p> <p>15 program, we had one vendor who was making a</p> <p>16 93-percent conversion rate. That is for</p> <p>17 every audit they did, 93 percent of them</p> <p>18 were converted into actual jobs where they</p> <p>19 actually installed measures. That's almost</p> <p>20 unheard of. And I think that when this</p> <p>21 award was made, we were in the 80-percent</p> <p>22 range, I guess, overall for all of our</p> <p>23 vendors. And that was probably one of the</p> <p>24 things that was most significant. Our</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 105</p> <p>1 program was comported with all the 2 requirements of a national program. 3 We did some things -- like our home 4 heating index, you'll find if you jump onto 5 some other sites, like the Maine Efficiency 6 site, you'll see they have a little gas 7 gauge that looks strikingly familiar, one 8 that you might find on "New Hampshire 9 Saves." And so what we did was we had 10 something that allowed customers to 11 self-select. So they were able to come to 12 us already -- hey, I'm a good customer. I 13 would qualify for the program. And they've 14 already gathered up the information, so that 15 when we work with one of our contractors, 16 when they get a lead from us, they knew that 17 there was -- you know, this wasn't a cold 18 call. This was a call to somebody that 19 actually had potential. They were 20 interested. 21 And we knew they were interested, 22 because we had another thing in place, 23 whereby the customer was required to do a 24 co-pay. They had to put in \$100 towards</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 107</p> <p>1 measures. So there's an incentive on the 2 part of the auditor to make sure that it's 3 not just an audit, but they have to move 4 forward and they actually get work done. 5 Because they are -- we don't have a -- we 6 don't have a golden audit fee. Quite 7 frankly, it's a minimal audit fee. And it's 8 designed to make sure that auditors work 9 with the customer, establish a relationship 10 and use that relationship to actually 11 consummate a deal where they go forward and 12 they actually get measures installed. 13 So I think those are some of the things 14 that were recognized and some of the reasons 15 why they felt that we were successful, and 16 why they recognized the program that we had 17 put together. 18 Q. Let me ask you about the performance 19 incentive issue. In traditional 20 energy-efficiency programs with electric 21 savings measures, the theory has been an 22 incentive is appropriate because here you 23 are doing all this work to reduce the amount 24 of sales that you can make. And that's hard</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 106</p> <p>1 their audit. And this was something that 2 caused a lot of consternation among the 3 utilities. You know, do we really want to 4 do this? But what it does is it says that 5 downstream, if they're actually going to 6 install measures, they're going to have to 7 pay for, initially it was 25 percent of the 8 cost, now it's 50 percent of the cost. If 9 they're going to have to come up with that 10 money, you know, putting \$100 up front gives 11 us some assurance that they, A, have the 12 money and, B, are willing to spend it, so 13 that they have some skin in the game. So, 14 again, they self-selected. We knew they 15 were qualified. We had some skin in the 16 game, in terms of they had some money on the 17 table. So our contractors were confident 18 when they went out, they had a really good 19 chance of making a sale with that customer. 20 And our contractors are also set up in 21 such a way so that they are paid for the 22 audits that they do. But they also -- their 23 audit fee is such that they have -- they get 24 more with the audit if they actually install</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 108</p> <p>1 for a company to actively find ways to sell 2 its product. In this case, you've got 3 measures that will reduce other people's 4 sales -- oil, propane, other heating 5 sources. And so, why is it appropriate for 6 the electric utility to earn an incentive on 7 savings that don't relate to their sales? 8 A. (By Mr. Gelineau) Well, let me go back a 9 ways. And I will tell you that this 10 performance incentive was something that 11 Public Service fought tooth and nail. We 12 did not want a performance incentive when it 13 was originally proposed. 14 If you go back to that point in time, 15 you'll find that there was something called 16 "lost fixed cost recovery," which 17 compensated us for those lost kilowatt 18 hours. And frankly, we were quite happy 19 with that approach. As a consequence of the 20 energy-efficiency working group and the 21 negotiations that were made there, we 22 agreed, as part of our agreement, to move 23 forward with a performance incentive, with 24 the understanding that it was a performance</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 109</p> <p>1 incentive, an incentive that was made for 2 doing a better than good job. And it was 3 under that guise that this performance 4 incentive was proposed. It wasn't proposed 5 as compensation for lost kilowatt hours. As 6 a matter of fact, we were told that you 7 shouldn't be thinking of it in that way. 8 You should be thinking in terms of doing a 9 better job. And if that in fact is the 10 case, then I would submit that it is no less 11 easy to achieve MMBtu savings than it is to 12 achieve kilowatt-hour savings. And it is 13 for that reason that we feel as though the 14 program, via fuel-neutral or electric-based, 15 that they should be treated the same. And 16 we feel that this particular program, if it 17 is approved as a full-scale program, should 18 be treated no differently from any other 19 program that includes that. Going forward, 20 if the Vermont study or some group within 21 the Commission decides that changes are 22 necessary, then they should be necessary 23 across the board and -- but it should be 24 based on all of the performance incentives</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 111</p> <p>1 just sort of like a slippery slope that 2 would make no sense to start to go down. 3 Q. Okay. All right. That concludes my 4 questions. Commissioner Harrington? 5 CMSR. HARRINGTON: Just two 6 quick follow-up questions. 7 INTERROGATORIES BY CMSR. HARRINGTON: 8 Q. Going back to that -- what number is it -- 9 Page 25. It's the chart out of the original 10 settlement agreement. I don't have the 11 number on mine. It's from 23, I guess. 12 A. (By Mr. Gelineau) The capacity and energy 13 chart? 14 Q. Yes. Just wanted to clarify on that, where 15 it was brought up about peak savings and you 16 referred to this chart. But am I correct -- 17 and let's go across the Home Performance 18 with ENERGY STAR line there. We'll shoot 19 over to the one under "Energy" that says 20 "Summer Peak." And I guess that's \$7,666. 21 That savings is what the people who were in 22 the program saved on their energy bill, but 23 it doesn't represent any kind of -- 24 A. (By Mr. Gelineau) I think you want to look</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 110</p> <p>1 being calculated the same way for all the 2 approved programs. I don't understand why 3 one program would be singled out and say, 4 well, jeez, all of these programs are going 5 to use the official incentive, and this one 6 over here we're going to do a different way. 7 Again, if the purpose of the incentive is to 8 compensate for lost kilowatt hours, then it 9 should be designed to do that. I don't 10 really think it is. It's designed to reward 11 performance. Its characteristics look at 12 energy savings, and it looks at the 13 efficiency with which those energy savings 14 are delivered. It doesn't look at lost 15 kilowatt-hour sales at all. 16 A. (By Mr. Palma) One concern I have is that we 17 allow the Home Performance Program to have a 18 different incentive mechanism. Does that 19 open the door, where in a year someone else 20 comes along and says, you know, your large 21 C & I program incentive mechanism needs to 22 be looked at because of whatever reason, and 23 now you start having different performance 24 incentive mechanisms for each program? It's</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 112</p> <p>1 at Page 24. 2 Q. -- peak savings. Okay. I'm on 24 now. 3 A. (By Mr. Gelineau) And I think that you'll 4 see you've got summer and winter savings in 5 kW's. 6 Q. Yeah. 7 A. (By Mr. Gelineau) I think -- is that the 8 number you're looking for? 9 Q. Well, I just wanted -- Commissioner Scott 10 was referring to savings on peak usage by 11 driving down the price of the use of the 12 consumption of electricity during peak 13 times, which is normally referred to as 14 "peak shaving" or "peak savings," where 15 everybody pays a lower electric bill, 16 because during the highest demand times, if 17 you lower demand slightly, the curve is so 18 steep, that everybody pays a lower cost. 19 But the numbers on these charts don't 20 represent any type of net savings to New 21 Hampshire or ISO-New England region. They 22 represent the actual savings on the electric 23 bill of the participants in the program; is 24 that correct? At least I think it is.</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 113</p> <p>1 (Witness reviews document.)</p> <p>2 A. (By Mr. Gelineau) I think that those are...</p> <p>3 if you take and sum those up, you're going</p> <p>4 to find that they'll equal the total</p> <p>5 benefits. Those are the individual benefit</p> <p>6 pieces associated with that program.</p> <p>7 Q. For each participant in the program summed</p> <p>8 together.</p> <p>9 A. (By Mr. Gelineau) No, from the program, from</p> <p>10 the overall program itself. In other words,</p> <p>11 the total program [sic] for that program is</p> <p>12 5.8 million. And you see over on the far</p> <p>13 right-hand side the non-electric resource</p> <p>14 benefits is 5.7, and then all of the other</p> <p>15 components together are going to equal about</p> <p>16 100,000 I think.</p> <p>17 Q. But of, let's say the \$7,666 listed on the</p> <p>18 summer peak, that's the total amount that</p> <p>19 the participating homeowners saved during</p> <p>20 summer peak periods on their electric bill</p> <p>21 because of their anticipated involvement in</p> <p>22 the Home --</p> <p>23 A. (By Mr. Gelineau) Yes, that would be a way</p> <p>24 to look at it --</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 115</p> <p>1 savings that people just don't believe or</p> <p>2 don't see? Or what is it we're doing wrong</p> <p>3 with the programs, that we literally have to</p> <p>4 go up and knock on somebody's door and say,</p> <p>5 listen, we can save you money, where most</p> <p>6 other things, put an ad in the paper or run</p> <p>7 an ad on the radio and then people call them</p> <p>8 up and say, "Help me save money."</p> <p>9 A. (By Mr. Gelineau) I think that you said that</p> <p>10 there's an extremely low participation rate.</p> <p>11 And I guess I'm not sure I understand, you</p> <p>12 know, how you came to that conclusion,</p> <p>13 but --</p> <p>14 Q. Well, let me explain. Your statement about</p> <p>15 whatever it was, 8,000 heating -- or 5500</p> <p>16 heating oil customers or electric heat</p> <p>17 customers, and you had 300 of them that</p> <p>18 participated after they were all contacted</p> <p>19 by mailers and everything. Normally, you</p> <p>20 know, people, to some extent, send you</p> <p>21 something in the mail and say we can save</p> <p>22 you money if you want to do this. Why is it</p> <p>23 people don't go after the program so much?</p> <p>24 A. (By Mr. Gelineau) It's going to cost them a</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 114</p> <p>1 Q. Okay. I just wanted to make sure --</p> <p>2 A. (By Mr. Gelineau) -- all participants</p> <p>3 together, yes.</p> <p>4 Q. And one other question. You know, every</p> <p>5 place we look, you turn on the television,</p> <p>6 put on the radio, open up the newspaper,</p> <p>7 you're constantly bombarded by advertising.</p> <p>8 We all drive down the street and we see</p> <p>9 something. Well, I'm not going to pull into</p> <p>10 this gas station because I can drive a</p> <p>11 couple minutes down the road and I can save</p> <p>12 3 cents or a nickel on gas. The beer's</p> <p>13 cheaper at DeMoulas than it is at Shaw's,</p> <p>14 whatever it is. The roast beef's on sale</p> <p>15 this way. It seems like we live in a world</p> <p>16 where people are tuned to advertising and</p> <p>17 they respond to cheaper prices; yet, it</p> <p>18 seems as if in this particular thing, the</p> <p>19 programs we're discussing here are out</p> <p>20 there, potentially at least, to save people</p> <p>21 money. And yet, even when you chase the</p> <p>22 people down the street, you have an</p> <p>23 extremely low participation rate. Would you</p> <p>24 care to comment on what it is about these</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 116</p> <p>1 couple thousand dollars, for one thing. I</p> <p>2 mean, it's not free. I think that another</p> <p>3 thing that perhaps is not clear to everybody</p> <p>4 here, one of the challenges that we face</p> <p>5 with these programs is that in the real</p> <p>6 world you go out and market things, and you</p> <p>7 try to sell as much as you possibly can,</p> <p>8 because each additional widget that you</p> <p>9 sell, you end up with more income. And</p> <p>10 that's a good thing.</p> <p>11 In the business that we're in with this</p> <p>12 energy-efficiency program, with a limited</p> <p>13 budget, if we go out and oversell, we're</p> <p>14 going to make customers particularly unhappy</p> <p>15 because they're not going to be able to</p> <p>16 participate. So we're in a balancing act,</p> <p>17 where we're trying to make sure that we try</p> <p>18 and balance the amount of demand for the</p> <p>19 product that we have with the amount of</p> <p>20 delivery that we can actually achieve.</p> <p>21 Q. That's fair enough. Thank you. I think</p> <p>22 that's a pretty good explanation. Thanks.</p> <p>23 CHAIRMAN IGNATIUS: Commissioner</p> <p>24 Scott.</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 117</p> <p>1 CMSR. SCOTT: Thank you.</p> <p>2 INTERROGATORIES BY CMSR. SCOTT:</p> <p>3 Q. Following up on Commissioner Harrington's</p> <p>4 follow-up on my question. So what I was</p> <p>5 trying to get at, especially with air</p> <p>6 conditioning, there's kilowatt savings --</p> <p>7 and that's certainly important -- but</p> <p>8 there's also, when we look at high-energy</p> <p>9 demand days, there's when those savings are,</p> <p>10 to the effect that if you're given a small</p> <p>11 increment on those particular high peaks,</p> <p>12 there's a much larger impact than other</p> <p>13 times. I was curious if, you know, the</p> <p>14 re-study, if you will, from -- is it Cadmus?</p> <p>15 A. (By Mr. Gelineau) Yes.</p> <p>16 Q. -- was going to look at anything like that.</p> <p>17 I mean, the timing is very critical of</p> <p>18 the -- I'm sorry?</p> <p>19 A. (By Mr. Gelineau) We have asked that</p> <p>20 specific question.</p> <p>21 CMSR. SCOTT: Excellent. Thank</p> <p>22 you.</p> <p>23 CHAIRMAN IGNATIUS: Thank you.</p> <p>24 Mr. Eaton, do you have</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 119</p> <p>1 A. (By Mr. Gelineau) Correct.</p> <p>2 Q. And all three of those are fuel-blind</p> <p>3 programs as proposed?</p> <p>4 A. (By Mr. Gelineau) Correct.</p> <p>5 Q. All right. Now, I think the Staff talked to</p> <p>6 you about, if you were to divide the total</p> <p>7 benefits into the non-electric resource</p> <p>8 benefits for Home Performance with ENERGY</p> <p>9 STAR, you came up with something like</p> <p>10 98 percent?</p> <p>11 A. (By Mr. Gelineau) I believe that was true.</p> <p>12 Q. And if you did the same calculation for the</p> <p>13 other two programs, would you agree, subject</p> <p>14 to check, that if you divided the total</p> <p>15 benefits of the Home Energy Assistance into</p> <p>16 the non-electric resource benefits, you</p> <p>17 would come up with 85 percent?</p> <p>18 A. (By Mr. Gelineau) Yes.</p> <p>19 Q. And so that means that 85 percent of the</p> <p>20 benefits under that program are for</p> <p>21 non-electric measures.</p> <p>22 A. (By Mr. Gelineau) That would appear to be</p> <p>23 true, yes, from a dollar perspective.</p> <p>24 Q. And for the ENERGY STAR Homes, if you</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 118</p> <p>1 redirect?</p> <p>2 MR. EATON: I have about two</p> <p>3 minutes of redirect, but I'd like to talk to</p> <p>4 the witness about that.</p> <p>5 CHAIRMAN IGNATIUS: All right.</p> <p>6 Let's go off the record.</p> <p>7 (Discussion off the record)</p> <p>8 CHAIRMAN IGNATIUS: Mr. Eaton,</p> <p>9 do you have questions?</p> <p>10 MR. EATON: Yes, I do.</p> <p>11 REDIRECT EXAMINATION</p> <p>12 BY MR. EATON:</p> <p>13 Q. Mr. Gelineau, could you look at Exhibit 23.</p> <p>14 That was the two pages, 24 and 25, that were</p> <p>15 brought in during Staff examination of the</p> <p>16 panel.</p> <p>17 A. (By Mr. Gelineau) Yes, I have it in front of</p> <p>18 me.</p> <p>19 Q. Would you look at Page 25.</p> <p>20 A. (By Mr. Gelineau) Yes, it's in front of me.</p> <p>21 Q. And there are three programs at the top</p> <p>22 there: Home Energy Assistance, Home</p> <p>23 Performance ENERGY STAR and ENERGY STAR</p> <p>24 Homes.</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 120</p> <p>1 divided the total benefits into the</p> <p>2 non-electric resource benefits, you would</p> <p>3 come up with 86 to 87 percent as the</p> <p>4 non-electric resource benefit.</p> <p>5 A. (By Mr. Gelineau) Subject to check, yes.</p> <p>6 Q. And the Home Assistance and ENERGY STAR</p> <p>7 Homes programs have been operated for longer</p> <p>8 than the Home Performance with ENERGY STAR</p> <p>9 Program; correct?</p> <p>10 A. (By Mr. Gelineau) That's correct.</p> <p>11 Q. So you know well what the electric savings</p> <p>12 are and what the non-electric savings are</p> <p>13 based upon experience with the program.</p> <p>14 A. (By Mr. Gelineau) That's true.</p> <p>15 Q. And we have yet to determine what the</p> <p>16 ancillary benefits under Home Performance</p> <p>17 with ENERGY STAR are for the actual savings</p> <p>18 from weatherizing a home and the resulting</p> <p>19 savings from the furnace.</p> <p>20 A. (By Mr. Gelineau) Correct. And air</p> <p>21 conditioning.</p> <p>22 Q. And we've yet to find a handle for air</p> <p>23 conditioning; correct?</p> <p>24 A. (By Mr. Gelineau) Correct.</p>

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<p>[WITNESS PANEL: GELINEAU PALMA] Page 121</p> <p>1 MR. EATON: Thank you. That's</p> <p>2 all I have.</p> <p>3 CHAIRMAN IGNATIUS: Ms.</p> <p>4 Goldwasser, any questions?</p> <p>5 MS. GOLDWASSER: Just a couple</p> <p>6 of very, very quick ones.</p> <p>7 REDIRECT EXAMINATION</p> <p>8 BY MS. GOLDWASSER:</p> <p>9 Q. Mr. Palma, is Unitil currently actively</p> <p>10 seeking out electric-heated homes for</p> <p>11 participation in the pilot program?</p> <p>12 A. (By Mr. Palma) Yes, we are.</p> <p>13 Q. And are you doing that via both your</p> <p>14 implementers in-house and your vendors that</p> <p>15 you work with every day doing audits?</p> <p>16 A. (By Mr. Palma) Yes, both the in-house staff</p> <p>17 and contractors.</p> <p>18 MR. FRANZ: Thank you.</p> <p>19 CHAIRMAN IGNATIUS: All right.</p> <p>20 Thank you, gentlemen. You're excused. Thank</p> <p>21 you for working hard and a long day on the</p> <p>22 stand.</p> <p>23 While we were on a break</p> <p>24 earlier, I mentioned off the record that we</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 123</p> <p>1 CHAIRMAN IGNATIUS: And the</p> <p>2 companies, the utilities?</p> <p>3 MR. EATON: Yes.</p> <p>4 CHAIRMAN IGNATIUS: All right.</p> <p>5 Why don't we then take the 18th. Can we begin</p> <p>6 at 9:00? That would be our preference. And</p> <p>7 we then would pick up with Mr. Steltzer as a</p> <p>8 witness? Would that be our next order of</p> <p>9 business?</p> <p>10 MS. THUNBERG: Yup. Looks like</p> <p>11 it.</p> <p>12 CHAIRMAN IGNATIUS: All right.</p> <p>13 Then, thank you very much. We stand adjourned</p> <p>14 until Monday, the 18th, at 9:00.</p> <p>15 (Whereupon the AFTERNOON SESSION was</p> <p>16 adjourned at 4:52 p.m.)</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>
<p>[WITNESS PANEL: GELINEAU PALMA] Page 122</p> <p>1 obviously need to come back and complete the</p> <p>2 rest of the witnesses. There are three days</p> <p>3 that I know are free for the Commission:</p> <p>4 Monday, June 18; Wednesday, June 20; and</p> <p>5 Friday, June 22. And I asked the parties to</p> <p>6 check calendars, if they had them with them,</p> <p>7 to see if any of those would work. Have you</p> <p>8 had a chance to take a look?</p> <p>9 MS. THUNBERG: I think the</p> <p>10 consensus was the 18th was the first choice,</p> <p>11 the 22nd was second choice, and the 20th was</p> <p>12 the third choice? Is that correct?</p> <p>13 MS. GOLDWASSER: Mr. Palma's not</p> <p>14 available on the 20th. So...</p> <p>15 CHAIRMAN IGNATIUS: So, if we</p> <p>16 were on the 18th, would the remaining</p> <p>17 witnesses be available?</p> <p>18 MR. ECKBERG: Yes, the OCA would</p> <p>19 be available that day.</p> <p>20 MS. THUNBERG: And Staff would</p> <p>21 be available.</p> <p>22 CHAIRMAN IGNATIUS: Mr.</p> <p>23 Steltzer, does that work for you?</p> <p>24 MR. STELTZER: Yes, it does.</p>	<p>[WITNESS PANEL: GELINEAU PALMA] Page 124</p> <p>1 C E R T I F I C A T E</p> <p>2 I, Susan J. Robidas, a Licensed Shorthand</p> <p>3 Court Reporter and Notary Public of the State of</p> <p>4 New Hampshire, do hereby certify that the foregoing</p> <p>5 is a true and accurate transcript of my stenographic</p> <p>6 notes of these proceedings taken at the place and</p> <p>7 on the date hereinbefore set forth, to the best of</p> <p>8 my skill and ability under the conditions present at</p> <p>9 the time.</p> <p>10 I further certify that I am neither attorney</p> <p>11 or counsel for, nor related to or employed by any</p> <p>12 of the parties to the action; and further, that I</p> <p>13 am not a relative or employee of any attorney or</p> <p>14 counsel employed in this case, nor am I</p> <p>15 financially interested in this action.</p> <p>16</p> <p>17</p> <p>18 Susan J. Robidas, LCR/RPR</p> <p>19 Licensed Shorthand Court Reporter</p> <p>20 Registered Professional Reporter</p> <p>21 N.H. LCR No. 44 (RSA 310-A:173)</p> <p>22</p> <p>23</p> <p>24</p>

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