



September 15, 2016

Debra Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301-2429

Re: DG 16-770 Concord Steam Corporation and Liberty Utilities (EnergyNorth Natural Gas)  
Corp., d/b/a Liberty Utilities – Joint Petition for Approval of an Asset Purchase Agreement

Dear Director Howland:

Enclosed, please find the written testimony of Laura Richardson on behalf of The Jordan Institute, originally intended to be provided as live-testimony for the above-referenced docket. With Jordan Institute's intervention request denied, we provide this material now as testimony / **comments.**

If you have any questions, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,

Laura Richardson  
Executive Director  
The Jordan Institute  
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cc: Service List for docket DG 16-770

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

Docket No. DG 16-770  
Concord Steam Corporation and  
Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a Liberty Utilities  
Joint Petition for Approval of an Asset Purchase Agreement

**DIRECT TESTIMONY**  
**OF**  
**LAURA S. RICHARDSON**

**September 9, 2016**

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

Docket No. DG 16-770  
Concord Steam Corporation and  
Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a Liberty Utilities  
Joint Petition for Approval of an Asset Purchase Agreement

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

2. A. My name is Laura Richardson. I am the Executive Director of The Jordan Institute. My  
3. business address is 6 Dixon Avenue, Suite 201, Concord, NH 03301.

4. **Q. Please describe your educational background and professional experience.**

5. A. I have a Bachelor's Degree from Bates College in Lewiston, Maine and graduated from the  
6. Energy Execs Program at the National Renewable Energy Laboratory in Golden, Colorado. I have  
7. been Executive Director of The Jordan Institute for more than three years and was Director of  
8. Operations for a little more than a year prior to that. I am a voting member of the Energy  
9. Efficiency and Sustainable Energy Board and on the Grid Modernization Working Group. I  
10. oversaw nine ARRA-funded programs for the NH Office of Energy and Planning for three years,  
11. coordinated the public-private initiative StayWarmNH, and co-founded the NH Sustainable Energy  
12. Association in 2003. Through our small family business, Empowered Homes, LLC, we did a Deep  
13. Energy Retrofit on a 108-year old home in Woodsville, NH, reducing its energy use by  
14. approximately 57%. In 2000-2001, my husband and I designed and built a super-insulated,  
15. extremely energy-efficient, solar-powered off-grid home which uses approximately 80% less  
16. energy than the national average. Experience prior to these highlights is not relevant to this docket.

17. **Q. Have you previously testified before the Commission?**

1. A. No. However, I have appeared before the Commission regarding the Energy Efficiency  
2. Resource Standard, CORE Energy Efficiency Programs, and the Solar and Wood Pellet Rebate  
3. Programs.

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

5. A. The purpose of my testimony is threefold: (1) to provide information about the public good that  
6. is derived from energy efficiency; (2) to describe concerns we at The Jordan Institute have about  
7. the speed of this docket relative to the complexity of issues at hand; and (3) to share possible  
8. solutions to support those building owners who are part of this transition.

9. **Q. In the Technical Session on August 19, you mentioned that you were not sure if The**  
10. **Jordan Institute would intervene on this docket. What drove you to request intervention**  
11. **status?**

12. A. Nowhere in materials for Dockets DG 16-769 or DG 16-770 is energy efficiency or  
13. considerations for options other than natural gas mentioned. Had an outreach plan for energy  
14. efficiency, reasonable financing terms, or even the inclusion of Unitil as part of this transition been  
15. part of the discussion, Jordan Institute most probably would have participated in this docket from  
16. the sidelines. As these dockets proceeded, our team became more alarmed at the concerns we were  
17. hearing from building owners about the speed of this transition and their fear that they would not  
18. have the opportunity to consider appropriate options for their buildings. In fact, just yesterday, we  
19. heard from the owner of multiple buildings that he is making plans to switch off of Concord Steam  
20. this fall because of his concerns that there won't be sufficient engineering and HVAC crews next  
21. year, and because he is loath to pay higher "emergency" rates. We spoke earlier in the week to a  
22. building owner who didn't realize that natural gas already comes to the building, albeit not for heat.  
23. That particular building is Historic with a capital H, and so appropriate solutions will be more  
24. complicated than a simple boiler installation. This building owner is not alone in a desperate need  
25. for quality technical assistance. In another case, the building owner – a non-profit – had recently

1. installed new equipment with the intention of remaining on Concord Steam, and now has to  
2. swallow that cost as well as dig deep to replace the system. Funding is so hard to come by for non-  
3. profits, knowing that they need to raise funds in such a short period of time to heat their facility is  
4. anything but not in the public good. We have heard concerns about where to house new heating  
5. systems, confusion about whether to switch from steam to hot water, and – from many – a desire to  
6. wrap other energy efficiency measures into a larger project. We are also concerned on behalf of  
7. these building owners that meters ostensibly measuring steam do not accurately provide that data,  
8. meaning that easy conversions based on “data” will not be accurate. To be clear, the State, the City,  
9. and the School District – and the Federal Government – face similar concerns but are in a  
10. somewhat different position because they are publicly funded, and in many cases, quite frankly,  
11. have more sophisticated facilities managers. Most of these fuel-switching projects will be cost-  
12. effective because of the anticipated significant cost differential of energy costs. What many of  
13. these building owners do not have is cash on hand to invest in new heating systems. The other  
14. reason Jordan Institute has sought intervention status is that these aforementioned building owners  
15. have not hired representation or feel comfortable intervening themselves. Had their voice been  
16. represented, we might have not requested to intervene.

17. **Q. Please summarize your testimony.**

18. **A. – 1. Public Good**

19. From the recent Energy Efficiency Resource Standard docket to the Ten Year State Energy  
20. Strategy, as well as the Executive Orders from both Governor Hassan and Governor Lynch, the  
21. VEIC Report, the Climate Action Plan, ISO-New England Reports, ACEEE, RAP, NEEP, and  
22. numerous other august regional and national analyses and reports, energy efficiency is recognized  
23. as a major solution to ubiquitous problems and a public good. Energy efficiency is acknowledged  
24. as a least-cost resource, meaning that the cost of an avoided kWh is less than the cost of generated  
25. kWh. The Forward Capacity Market values energy efficiency and New Hampshire’s utilities

1. participate in this program. Energy efficiency not only reduces wasted energy and therefore  
2. greenhouse gas emissions and particulates, it also saves money year over year, improves operating  
3. costs, makes buildings more comfortable and therefore the occupants more productive and  
4. healthier, and in many cases improves the asset value of the building. Even those who do not  
5. participate directly in energy efficiency projects benefit from them, through cleaner air and water,  
6. reduced strain on the electric grid, and the delayed need for new generation plants. For brevity's  
7. sake, I will leave it there, but be assured, I can provide figurative mountains of supporting material  
8. about the virtues of energy efficiency. Couple this with the fact that Concord's downtown buildings  
9. are notoriously inefficient, and that building owners rarely seek repeated disruption of their  
10. operations to make building improvements. Moreover, the order of project implementation is really  
11. quite important – a boiler installed prior to other energy efficiency measures means that it will  
12. surely be oversized. That leads to inefficient cycling, premature wear and tear, and wasted fuel.  
13. Comprehensive energy efficiency projects allow for right-sizing of equipment, especially heating  
14. systems. Comprehensive projects can also incorporate those energy-efficiency measures – and even  
15. deferred maintenance projects – that would not otherwise be considered cost effective into a  
16. package that truly is cost effective. We fear that fuel-switching alone, and straight-up boiler  
17. replacements without other efficiency measures will leave lead to a tremendous amount of wasted  
18. energy and lost opportunity.

19. **1. Speed and Complexity**

20. Earlier in my testimony, I mentioned that I had professional experience that is not relevant to this  
21. docket. I stand corrected. For about ten years, I worked in the fine printing industry. The two firms  
22. I worked for had reputations for superior quality and workmanship. As in printing, in construction/  
23. HVAC projects you can typically choose two of three outcomes – speed, quality/complexity, and  
24. cost. As this docket proceeds and building owners are expected to quickly transition from Concord  
25. Steam to Liberty Utilities service, and to make sophisticated investments, we fear that quality

1. workmanship will not be the prioritized attribute. Consider the optics of this situation. Liberty  
2. Utilities, owned by Algonquin Energy, is working hard to sincerely value customer interests,  
3. modernize their business model, and encourage energy efficiency whenever possible. If their new  
4. customers feel bullied into making quick decisions, regret will be a long-time poison.

5. **2. Two Possible Solutions**

6. So how do we resolve this? Our approach at The Jordan Institute is not just to complain about or  
7. point out problems, but rather to find innovative solutions. This docket is moving very quickly and  
8. therefore there isn't much time for brainstorming.

9. a) The impending closure of Concord Steam Corporation and its purchase by Liberty Utilities  
10. for \$1.9M is not the complete story. Surely, Liberty Utilities will be before the  
11. Commission again soon to propose their implementation project to provide natural gas to  
12. these new customers. I presume such a proposal will cost more than the \$1.9M being paid  
13. to Concord Steam. Where Concord Steam is basically abandoning their customer base,  
14. forcing customers in the near term to raise or borrow funds, hire contractors, and oversee  
15. project implementation, and where Liberty Utilities is "buying" those customers for the  
16. proposed \$1.9M, and therefore taking responsibility for them, one possible solution would  
17. be to include in Liberty's implementation costs the funding to support technical assistance,  
18. grants toward energy audits (not just walk-throughs) – perhaps \$5,000 per affected  
19. building, and/or grants – perhaps 50% - toward the cost of new high-efficiency equipment.  
20. Not only would this help ease the financial pain for these building owners, it would also  
21. improve quality control in this short time frame and reduce "regret". Understanding that  
22. this docket relates to the sale of Concord Steam and not the implementation of natural gas,  
23. this solution may seem disconnected. However, The Jordan Institute suggests that the  
24. Commission include in its Order that Liberty Utilities provide such benefits to its new  
25. customers when it proposes its implementation plan. While Liberty currently offers some

1. technical assistance and rebates territory wide, those funds are limited. The Jordan Institute  
2. suggests that the privately owned for-profit and non-profit buildings affected by this  
3. transition receive special consideration that will help them make informed choices.  
4. Whether the building owners pursue energy efficiency is up to the building owners, but not  
5. incentivizing them is akin to dis-incentivizing them.

6. b) Another solution relates directly to one of the initiatives that The Jordan Institute is  
7. currently launching: NH C-PACE. Although the City of Concord has not yet adopted RSA  
8. 53-F, the statute that enables the C-PACE energy-project financing program, we have had  
9. a number of conversations with City Staff, advocates, building owners, contractors, and  
10. capital providers. In fact, we are scheduled to make a presentation about this program to  
11. Concord's Fiscal Policy Advisory Committee on September 19, 2016 with the hopes that  
12. the full City Council will consider adoption shortly thereafter. The NH C-PACE Program  
13. ties private capital to privately owned commercial buildings through a municipal tax lien.  
14. NH C-PACE provides numerous benefits – beyond traditional financing – to the building  
15. owners who participate. Not all buildings or projects will qualify for the program. Indeed,  
16. we only know of a couple building owners who are quite interested in it at this time.  
17. However, it would provide a pathway for some building owners to finance their projects. If  
18. the City of Concord adopts this statute and contracts with us to administer the program in  
19. the near-term, we would be able to provide long-term, cash-positive financing for some of  
20. these projects. Again, options equals better optics. The Commission has no role in the NH  
21. C-PACE Program and we are not seeking comment or applause, simply that there are  
22. solutions available for some building owners.

23. In our opinion, neither of these solutions will impede the process of this docket.

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

25. A. Yes it does.