



DESAUTEL BROWNING LAW

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VIA ELECTRONIC AND FIRST CLASS MAIL

Emma Rodvien
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Coordinator
Energy Facility Siting Board
89 Jefferson Boulevard
Warwick, RI 02888

RE: RIEFSB Docket #SB-2021-04

Ms. Rodvien:

Enclosed please find the Town of Middletown's pre-filed surrebuttal testimony with respect to the above-referenced matter, prepared by Jeff Loiter. An original and four copies of same is being mailed to you. Please note that a copy of this letter and the pre-filed testimony is being electronically delivered to the service list for this docket.

Thank you for your attention to this matter.

Sincerely,

Marisa Desautel, Esq.
ec: service list

BEFORE THE
STATE OF RHODE ISLAND
ENERGY FACILITY SITING BOARD

IN RE: AQUIDNECK ISLAND GAS
RELIABILITY PROJECT

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)

Docket NO. SB-2021-04

1 JEFF LOITER

2

3 **I. INTRODUCTION**

4

5 **Q: Please state your name and business address.**

6 A: My name is Jeffrey Loiter. My address is 11 Tracy Lane, Shelburne, Vermont 05482.

7

8 **Q: On whose behalf are you testifying?**

9 A: I am employed by the National Association of Regulatory Utility Commissioners as a
10 Technical Director, but in this proceeding, I am acting as an independent consultant on
11 behalf of the Town of Middletown.

12

13 **Q: Please summarize your work relevant to your role in providing testimony in this**
14 **docket.**

15 A: I hold a bachelor's degree in Civil and Environmental Engineering from Cornell
16 University and a master's degree in Technology and Policy from the Massachusetts
17 Institute of Technology. I have over 20 years of experience in environmental policy,
18 energy, and utility regulation. In previous consulting roles I became a trusted policy
19 advisor and expert witness for advocacy groups, state consumer advocate offices, and
20 energy efficiency advisory councils in three states, covering topics including integrated
21 resource planning, cost-effectiveness and the economics of energy efficiency, and the
22 available potential for efficiency.

23

24 **Q: Have you previously testified before the Public Utilities Commission or the Energy**
25 **Facility Siting Board.**

26 A: Yes. I testified before the PUC in Docket No. 22-42-NG, regarding the issuance of an
27 advisory opinion to the EFSB on the application to construct LNG vaporization facility
28 on Old Mill Lane. Additionally, I submitted pre-filed testimony in this docket.

29

30 **Q: What is the purpose of your surrebuttal testimony in this proceeding?**

31 A: My testimony will address the following issues:

- 32 1. Respond to Brett S. Feldman's pre-filed rebuttal testimony.
33 2. Respond to Tyler Olney's pre-filed rebuttal testimony.

1 **II. RESPONSE TO BRETT S. FELDMAN’S REBUTTAL TESTIMONY**

2

3 **Q: Are you familiar with Mr. Feldman’s rebuttal testimony submitted by the**
4 **Narragansett Electric Company in this docket?**

5 A: Yes. I reviewed the Narragansett Electric Company’s pre-filled rebuttal testimony.

6

7 **Q: Mr. Feldman’s testimony states that the company is unaware of any studies**
8 **supporting your statement that “Some customers in Rhode Island already choose**
9 **electrified heating over fuel-oil, and recent increases in the incentives available for**
10 **heating electrification are likely to further shift customers away from fuel-oil in**
11 **cases where gas is not available. In some cases, customers may even select electric**
12 **heating over natural gas heating equipment.” What is your response to that**
13 **statement?**

14 A: To begin with, the fact that Mr. Feldman is not aware of any studies regarding customer
15 fuel choice in Rhode Island does not mean that relevant information is not available, nor
16 that my assertion itself is incorrect. Regardless, relevant information IS available. As I
17 noted in my testimony before the PUC, participants in Rhode Island’s Residential New
18 Construction Energy Efficiency program have increasingly selected electric heat over gas
19 heating, choosing electric heating by more than a 3 to 1 margin in 2021.¹ Furthermore, I
20 do not believe a study is needed to conclude that the presence of substantial federal
21 incentives for heating electrification will affect customer behavior. In fact, Mr. Feldman’s
22 job is to do precisely that: provide incentives to customers that will encourage them to
23 change their energy consumption and purchasing behaviors. It is disingenuous to suggest
24 that one needs a specific study to intuit increased adoption of electric heating in the
25 presence of a strong state and federal policy and dramatically increased incentives
26 directed at customers.

27

28 **Q: Mr. Feldman also testified that “The decision to offer significantly enhanced energy**
29 **efficiency incentives to a discrete geographic area in the state involves a significant**
30 **public policy question since it would likely result in energy efficiency funds,**
31 **contractor resources and equipment being distributed inequitably throughout the**
32 **state.” Do you believe that is a correct assumption?**

33 A: I do not dispute that the decision to provide geographically-targeted incentives is a public
34 policy question. Whether it is a “significant” public policy question is a matter of
35 opinion. I would argue that the need to take actions that advance the statutory

¹ 2022 Annual Report, Rhode Island Energy Efficiency and Resource Management Council, June 2022.
<http://rieermc.ri.gov/wp-content/uploads/2022/07/eermc-2022-annual-report-final-6-16-22.pdf>.

1 requirements of Rhode Island’s 2021 Act on Climate is also a significant public policy
2 question. And regardless of how “significant” it is, it is certainly within the purview of
3 the EFSB and PUC to consider the question and weigh the pros and cons. Contrary to Mr.
4 Feldman’s implication, it is NOT the Company’s role to make such a public policy
5 determination, which they appear to be doing by using “equity” to rule out the possibility
6 of a non-infrastructure solution that would require geo-targeted incentives. I would also
7 note that the environmental, social, and individual financial impacts of the Company’s
8 preferred solution are not distributed equitably throughout the state, either. The Company
9 has not provided any evidence that their solution is superior to the non-infrastructure
10 solution based on equity considerations.

11
12 **Q: Are you aware of other situations where enhanced incentives were provided in a**
13 **discrete geographic area in order to achieve a public policy objective?**

14 A: Yes, I am aware of at least two such instances. The first is the well-known Brooklyn-
15 Queens Demand Management (BQDM) program implemented by Consolidated Edison in
16 New York City. In 2014 the New York Public Service Commission issued an order
17 detailing the requirements of a demand-side management program using nontraditional
18 utility and customer-side solutions to offset or eliminate the need for traditional utility
19 infrastructure.² As noted in recent reporting of program expenditures and results, one of
20 the components of the program is “installing energy efficiency measures through
21 incentive adders.”³ I also note that the original order included the use of then-unspent
22 funds from an existing Targeted DSM Program. The second program that I am aware of
23 is the geo-targeted energy efficiency effort implemented by Efficiency Vermont
24 beginning in 2007. Similar to the BQDM program (although preceding it), this was an
25 effort to direct energy efficiency investments to areas targeted for transmission and
26 distribution upgrades as an alternative to those investments.⁴

27
28 **III. RESPONSE TO TYLER OLNEY’S REBUTTAL TESTIMONY**

29 **Q: Are you familiar with Mr. Olney’s rebuttal testimony submitted by the**
30 **Narragansett Electric Company in this docket?**

31 A: Yes. I reviewed the Narragansett Electric Company’s pre-filed rebuttal testimony.
32

² Case 14-E-0302, Petition of Consolidated Edison Company of New York, Inc. for Approval of Brooklyn Queens Demand Management Program. Order issued 11 December 2014.

³ BQDM Quarterly Expenditures & Program Report, Second Quarter 2023

⁴ Order at 3, Order Re Geographic Targeting of EEU Funds. January 8, 2007. publicservice.vermont.gov/energy-efficiency/orderregeographictargetingoriginal.pdf

1 **Q: Do you agree with Mr. Olney’s testimony that providing 100 percent incentives to**
2 **customers for energy efficiency projects would lower the cost-effectiveness of the**
3 **Company’s present energy efficiency program portfolio?**

4 A: No, I do not. The primary test for cost-effectiveness for the Company’s energy efficiency
5 programs is the Rhode Island Benefit Cost Test.⁵ On the cost side of the equation this test
6 includes both the financial incentive provided by the Company and the portion of the
7 equipment and installation cost not covered by the customer incentive. The sum of these
8 equals the total cost of the efficiency project. Whether the utility incentive is 20 percent
9 of the measure cost, 75 percent, or 100 percent, the cost included in the Rhode Island test
10 is the same. Therefore, providing 100 percent incentives for some measures in a targeted
11 geographic area would not reduce the cost-effectiveness of the Company’s portfolio.

12

13 **Q: Do you agree that EFSB Order No. 150 directs the company to use a moratorium**
14 **scenario as a baseline for the analysis of greenhouse gas emissions?**

15 A: No, I do not. With respect to the requirement that the Company analyze a non-
16 infrastructure solution, the EFSB Order states “[t]his analysis should provide two
17 scenarios: One that assumes there is no moratorium on new gas connections, and a
18 second which assumes a full moratorium...”. The Order is silent on the issue of which (if
19 either) should be considered the baseline. In fact, the term “baseline” appears nowhere in
20 the 38-page Order.

21

22 **IV. CONCLUSION**

23

24 **Q: Does that conclude your testimony?**

25 A: Yes

26

27

⁵ http://rieermc.ri.gov/wp-content/uploads/2023/09/04_2024-annual-plan_attachment-4_ri-test_9.7.2023.pdf