

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6958

Petition and tariff filing of Green Mountain)
Power Corporation re: proposed rate design)
changes to take effect January 1, 2005)

SUPPLEMENTAL PREFILED SURREBUTTAL TESTIMONY OF
WILLIAM STEINHURST
ON BEHALF OF
THE CONSERVATION LAW FOUNDATION

DECEMBER 1, 2004

Summary: Dr. Steinhurst's testimony responds to the supplemental testimony of James Brown filed on October 21, 2004 and Dr. Rosenberg's prefiled testimony of November 3, 2004, regarding the proposed exemption of IBM from the Energy Efficiency Charge and the application of the Energy Efficiency Charge to the so-called Efficiency Block.

1 Supplemental Prefiled Surrebuttal Testimony
2 of
3 William Steinhurst
4
5

6 Q. Please state your name and occupation.

7 A. My name is William Steinhurst, and I am Senior Consultant with Synapse Energy
8 Economics (Synapse). My business address is 45 State Street, #394, Montpelier,
9 Vermont 05602
10

11 Q. Are you the same William Steinhurst who prefiled direct and surrebuttal testimony in this
12 proceeding on behalf of CLF and AARP?

13 A: Yes, I am.
14

15 Q. On whose behalf did you prepare this prefiled supplemental surrebuttal testimony?

16 A: I prepared this testimony on behalf of the Conservation Law Foundation (CLF)
17 only.
18

19 Q. Please summarize your testimony.

20 A. On October 21, 2004 Green Mountain Power (GMP) filed supplemental
21 testimony of James Brown in this proceeding. In that testimony, Mr. Brown recommends
22 that IBM be exempt from the energy efficiency charge under the proposed Economic
23 Development Rider for the Transmission Service Rate Tariff (ED Rider). On November
24 4, 2004, International Business Machines, Inc., (IBM) filed testimony by Dr. Alan
25 Rosenberg in this proceeding. In that testimony, Dr. Rosenberg recommends that the
26 Energy Efficiency Charge (EEC) not apply to the so-called Efficiency Block of the
27 proposed Transmission Service Rate. I believe that both positions are flawed and
28 recommend that that Board require the EEC apply to IBM and all other energy sold under

1 the Transmission Service Tariff.¹

2

3 Q. Should IBM be exempt from the EEC charge for sales under the ED Rider?

4 A. No. The proposed ED Rider is a tariff that is to replace the Economic
5 Development Agreements that were previously entered into. Creating a special
6 exemption that applies only to IBM fails to treat similarly situated customers the same.
7 Instead of offering the same rate under a tariff for all eligible customers, the proposed
8 exemption for IBM provides special treatment for IBM only that is not justified.

9 Furthermore, the proposed ED Rider requires customers to participate in
10 "applicable energy efficiency programs." Since those customers will be participating in
11 energy efficiency programs, it seems only fair that they should contribute their share of
12 the EEC.

13

14 Q. Does Dr. Rosenberg correctly characterize the intent of the so-called Efficiency Block?

15 A. No. At page 5 of this prefiled, he claims that the so-called Efficiency Block is a
16 substitute for previous Economic Development Agreement (EDA) sales. This is clearly
17 unreasonable. Mr. Brown justifies the so-called Efficiency Block as peak shaving device,
18 not an economic development tool. Furthermore, the proposed new Economic
19 Development Rider is cited by him as the Company's response to the Board's directive
20 regarding a tariffed successor to the EDA. Therefore, to the extent it might have been
21 reasonable to exempt EDA sales from the EEC, that is no justification for exempting
22 sales under the so-called Efficiency Block.

23

24 Q. Are there affirmative reasons for applying the EEC to sales under the so-called Efficiency

¹ While Dr. Rosenberg does not discuss the so-called Efficiency Block in Rate 63, for the sake of clarity and in the event that the Board might consider a broader conclusion, I wish to make the same recommendation with regard to Rate 63.

1 Block?

2 A: Yes. Customers taking power under the so-called Efficiency Block, like other
3 customers under the same tariffs, benefit from system-wide energy efficiency resources
4 acquired via EEC funding. Hence, it makes sense for the EEC to apply to those sales. In
5 addition, unlike the EDA, the tariffs that incorporate the so-called Efficiency Block do
6 not require customers to provide separate reporting of DSM results, so there is no
7 additional assurance of their implementing separate DSM measures on their own.

8

9 Q. Does that complete your testimony at this time?

10 A. Yes.