

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN: REVIEW OF RHODE ISLAND)
ENERGY'S ANNUAL ENERGY)
EFFICIENCY PLAN FOR 2025)**

DOCKET NO. 24-39-EE

**PRE-FILED DIRECT TESTIMONY
OF
KURT TEICHERT**

**SUBMITTED ON BEHALF OF
THE RHODE ISLAND
ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL**

NOVEMBER 15, 2024

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. I am Kurt Teichert. My work address is Box 1943, 135 Angell Street, Providence
4 RI 02912

5 **Q. On whose behalf are you testifying?**

6 A. I testify as a member of the Rhode Island Energy Efficiency and Resource
7 Management Council (EERMC), where I am an appointed council member
8 representing Energy Regulation and Law. I am serving this role after having
9 previously served as an expert in Environmental Issues. In total, I have served for
10 five and a half years.

11 **Q: What is your educational background?**

12 A: I hold an MSc in Agricultural and Resource Economics from Oregon State
13 University and an AB from Franklin and Marshall College.

14
15 **Q: What is your profession?**

16 A: I am a Senior Lecturer and Teaching Fellow in the Institute for Environment and
17 Society at Brown University and a Critic at the Rhode Island School of Design. I
18 joined Brown in 1992 to manage an initiative that links student research and
19 education efforts with university energy efficiency and environmental impact
20 reduction programs. I coordinated energy efficiency projects and high-
21 performance design in construction projects until 2007. I then transitioned to a
22 full-time teaching role and a faculty appointment. I teach courses and advise
23 students on sustainable design, environmental stewardship, urban infrastructure,
24 and transportation technology and policy. I have been involved in research,
25 design, and energy efficient operation of high-performance educational facilities
26 for over 35 years.

27
28 **Q: Have you testified before the Rhode Island Public Utilities Commission?**

29 A: No. This is my first time providing testimony to the Commission.

30

1 **Q: What is the purpose of your Testimony in this proceeding?**

2 A: Council members asked me to comment on Rhode Island Energy’s (RIE or “the
3 Company”) 2025 Annual Energy Efficiency Plan’s (“the Plan”) alignment with
4 Council priorities. The Plan aligns well with most of the Council’s priorities.¹ We
5 do have some concerns about the Plan’s compliance with Least Cost Procurement
6 (LCP) Standards (“the Standards”), the goals of the Act on Climate, and our
7 priority to Signal Intent to Grow Energy Efficiency Programs.

8

9 **II. COUNCIL PRIORITIES AND ENERGY EFFICIENCY PLAN**

10 **ENDORSEMENT**

11

12 **Q: What is the Council’s concern about RIE’s proposed Plan with respect to the**
13 **Council’s priorities?**

14 A: The Council endorses the plan as most of its provisions align well with Council
15 priorities. We are thankful to have an excellent working relationship with RIE
16 representatives. Council members are concerned that program goals and targets
17 are not increasing at the level required by our Least Cost Procurement mandate
18 and the Act on Climate. For example, the 2025 electric portfolio lifetime savings
19 and implementation budget are lower than 2023 achievements and 2024 plans.
20 We seek more open communication to better understand how we can help create
21 an environment where RIE can develop energy efficiency plans that consistently
22 increase achieved savings.

23

24 **Q: Do council members have concern about the performance incentive measure**
25 **for equity in energy efficiency planning and investment?**

26 A: The Council has made the request to RIE to provide a roadmap to implement a
27 component of the performance incentive mechanism that is tied to equity
28 considerations in energy efficiency investments, in the 2024 and 2025 planning
29 years. This plan does not include a road map or a commitment to develop a

¹ As noted in Exhibit 42, slide 7, the Council’s Consultant Team identified that the Plan was largely responsive to most of the Council’s priorities.

1 roadmap that the Council feels would send a clear signal of the importance of
2 delivering energy efficiency programs equitably. As a reference point, program
3 administrators in Massachusetts and Connecticut have each had components of
4 their performance incentive tied to achievement of equity metrics since 2022.
5 Developing a process by which a share of the Company's performance incentive
6 is tied toward achievement of equity metrics is one such strategy that the Council
7 believes would drive the Company to significantly improve its programs that
8 serve these customers, which have a history of underperformance. The Council is
9 pleased to see recent improvements in how equity is considered by the Company,
10 including integration of recommendations from the Equity Working Group and
11 specific strategies to reach historically underserved communities. However, it
12 remains concerned about the pace at which change must happen for these
13 customers to ensure that they are not underserved, particularly as they often
14 customers with high-energy burdens who would benefit most from energy
15 efficiency services.

16

17 **Q: What is the Council's concern about Act on Climate compliance?**

18 A: Council members often express concern about properly administering our charge
19 to ensure fulfillment of Act on Climate's emission reduction mandates (see
20 R.I.G.L. § 42-6.2-8). As one specific concern, Council members question
21 whether the statutory "prudence" standard for LCP, as interpreted in the
22 Standards, properly accounts for required implementation of the Act on Climate
23 mandates. The standard, as applied, weighs the cost of emissions reduction
24 measures but allows discretion to account for the benefit of required compliance
25 with the mandates. In addition, Council members are concerned that the proposal
26 to reduce support for weatherization services to delivered fuel customers is
27 inconsistent with the mandates for administrative action to achieve the goals of
28 the Act on Climate.

29

30 **Q: Do Council members have concerns about the analysis of rate and bill**
31 **impacts?**

1 A: Yes, in discussion, council members raise concern about the shortness of the time
2 frame in which rate and bill impacts are measured. Any customer-funded
3 investments may cause bill increases in the short-term. But if we overweigh the
4 short-term costs of electricity while undervaluing the long-term benefits of those
5 investments in reducing usage on the customers' bills, we may not develop a
6 complete and accurate picture of costs and benefits, since the impacts of energy
7 efficiency investments are realized over a long period of time. Council members
8 are concerned that RIE's current analysis of bill impacts may undervalue the
9 planned, long-term economic benefit of scaled implementation of energy
10 efficiency.

11
12 **Q: What is the Council's underlying concern with the analysis of economic**
13 **benefits in this plan?**

14 A: Council members express concern that efficiency measures and strategies that
15 enable greater adoption of such measures may not be funded in the energy
16 efficiency plans because their economic benefit is not fully accounted for. They
17 express concern about a lack of capacity to scale efficiency strategies in support
18 of the Council's legislative charge if all economic benefits are not accounted for. I
19 defer to our Consulting Team's testimony for the details of our concerns.

20
21 **III. SUMMARY**

22
23 **Q: Please summarize the testimony you have provided.**

24 A: Council members are concerned that RIE's planning and implementation of
25 energy efficiency under the Least Cost Procurement discounts the longer-term
26 values of energy efficiency and consequently lacks adequate scale, urgency and
27 impact. The rate of change in implementing energy efficiency has not been
28 sufficient to meet the Council's statutory directives or the mandates of Rhode
29 Island's Act on Climate. Additional scrutiny through this process can ensure
30 better implementation of equity strategies, a longer-term assessment of rate and
31 bill impacts, and a more comprehensive assessment for accounting economic

1 benefits. All such improvements will help the Council better fulfill our Rhode
2 Island's expectations and the mandates of the Act on Climate. The Council would
3 welcome further conversations with relevant parties – including the Commission
4 and the Division – about these concerns as part of this Docket and/or in an
5 appropriate setting outside of this Docket.

6

7 **Q: Does this conclude your testimony?**

8 A: It does.