

SMALL BUSINESS UTILITY ALLIANCE (SBUA)

Answers to Interrogatories from
School Energy Coalition (SEC)

3.SEC.1.SBUA

[Ex. L.SBUA.1, p. 1, 4, 33] Please advise which of the expert's recommendations should be applied to customers that are not small businesses, but have similar loads and uses, such as schools.

Response:

Customers – including schools – that have similarly small loads or similar barriers to participation as small businesses typically should also have access to the recommendations recommended for small businesses.

Provided by: Francis Wyatt, Theodore Love (GEEG)

3.SEC.2.SBUA

[Ex. L.SBUA.1, p. 9] Please explain why margins are relevant, rather than access to capital or limited building ownership rights. Please confirm that, if energy efficiency investments are cost effective over the long term, the barriers for small businesses are not their margins, but their access to capital and their inability to rely on a long payback period due to business uncertainties.

Response:

Access to capital and limited building ownership rights are both important potential barriers for small businesses. Tight margins may mean that a business is less profitable, which can lead to lack of capital or difficulty in getting a loan at a reasonable rate. A business's margins may not be more important than access to capital, but it may add to a customer's reluctance to take on more debt for an efficiency measure that they may be uncertain about.

Provided by: Francis Wyatt, Theodore Love (GEEG)

3.SEC.3.SBUA

[Ex. L.SBUA.1, p. 11] Please advise whether the expert is proposing use of utility capital to provide customer financing, or proposing facilitation by the utility of financing availability through third parties. Please discuss the advantages and disadvantages of both, in the latter case including if required pre-qualification systems, guarantees, or interest rate buydowns.

Response:

Utility financing would be ideal, though facilitation by the utility of financing through third parties would be acceptable. The advantage of the utility offering financing is making it easier for the customer, involves one less entity, and can often come with a lower cost of capital.

Provided by: Francis Wyatt, Theodore Love (GEEG)

6.SEC.4.SBUA

[Ex. L.SBUA.1, p. 20, 29] Please specify the level of increased budget the expert is proposing to ensure that incentive levels for small business customers are increased and eligible measures are added. Please confirm that the expert is proposing that the increased budget would be recovered from the customer classes in which small business customers are included.

Response:

GEEG does not have a specific budget increase to suggest. To derive a specific budget increase would involve a multistep process of characterizing the new measures, conducting cost-effectiveness analyses, establishing the eligible markets, setting the appropriate incentive levels based on the incremental costs, and projecting the participation rates for the cost-effective measures on a yearly basis. This is beyond the scope of our evidence.

It is confirmed that any budget increases should be recovered from the rate classes that benefit from the DSM spending.

Provided by: Francis Wyatt, Theodore Love (GEEG)

6.SEC.5.SBUA

[Ex. L.SBUA.1, p. 30] Please confirm that, in the Union South Rate Zone most of the small business customers are in the M1 rate class along with residential customers, and in the Union North Rate Zone most of the small business customers are in the 01 rate class along with residential customers, because in both cases the upper throughput limit is 50,000 cubic meters. Please calculate the bill impacts for those small business customers, and comment on the reasonableness of those impacts.

Response:

Confirmed that it is our understanding that the M1 rate class for Union South Rate Zone and Union North Rate Zone 01 contain most small business customers as well as residential. We cannot provide that analysis because we do not have sufficient information of the commercial and residential customer sales breakout and further this is beyond the scope of our evidence.

Provided by: Francis Wyatt, Theodore Love (GEEG)