

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

DE 10-212

**ESTABLISHING A COMMERCIAL AND INDUSTRIAL RENEWABLE ENERGY
REBATE PROGRAM**

Notice of Opportunity to Comment

The Public Utilities Commission (Commission) is charged with administering the state's Renewable Energy Fund (REF) which, pursuant to RSA 362-F:10, is to be used to support thermal and electrical renewable energy initiatives. To date, the Commission has established a rebate program for small residential electrical renewable energy facilities as mandated by RSA 362-F:10, V (Order No. 25,020, issued October 2, 2009) and a residential solar water heating incentive program (Order No. 25,092, issued April 21, 2010). The Commission may, after notice and hearing, by order or rule, establish additional incentive or rebate programs for customer-sited thermal and electrical installations of up to 100 kilowatts (kW) or equivalent thermal output. See RSA 362-F:10, VIII and New Hampshire Code Admin. Rules Puc 2507.03(f). The Commission intends to establish a commercial and industrial (C&I) incentive program and is affording this opportunity for public comment on the following program components, presented herein as a "straw man" proposal.. Commission Staff has filed its analysis and recommendations, which can be found on the Commission's website <http://www.puc.nh.gov/Sustainable%20Energy/Memo-CIRebateProgramDesignConsiderations.pdf>.

1. Eligible participants. The C&I incentive program will be available to all non-residential electric customers including businesses, non-profit and governmental entities, and multi-family housing that are not eligible for the residential incentive program. .

2. Program funding. In Order No. 25,092, the Commission set aside \$1 million of REF monies for a C&I program. The Commission proposes to increase this funding by an

additional \$500,000 to \$750,000 for a total C&I program budget of \$1.5 million to \$1.75 million through June 30, 2011. The proposed C&I program budget takes into consideration recently enacted legislation that requires the Commission to reasonably balance overall expenditures from the REF between residential and non-residential sectors based on the proportion of electricity sold at retail to each sector (2010 N.H. Laws Ch. 254). Staff's recommendation contains a description of the current balance of the REF with detail on revenue and obligations. At these proposed funding levels there would be a balance of approximately \$500,000 to \$250,000 available for a request for proposals pursuant to RSA 362-F:10, XI in the current FY 2011.

3. Eligible technologies. Incentive payments will initially be limited to commercial and industrial-scale solar electric (photovoltaic or PV) arrays and solar water heating systems (SHW). Pursuant to Puc 2507.03 (f), only facilities with a capacity of 100 kW or equivalent thermal output or less will be eligible for rebates.

4. Allocation of funds. The Commission will initially allocate 75% of the C&I budget to PV and 25% to SWH, but will retain the ability to shift funds from one technology to another based on the participation and demand for rebates.

5. Rebate structure and amounts. To maximize the use of the allocated funds, the C&I per kW incentive payment for PV systems will begin at \$1.25 per Watt for the first 20 kW and would decline to \$1.00 per Watt for the next 35 kW and to \$0.75/Watt from 55 kW up to 100 kW. In addition, the C&I rebate for a PV system would be capped at 25% of the cost of the facility, or \$50,000, whichever is less. The \$50,000 cap would be reached at a system size of 45 kW under these incentive levels. In order to foster a diversity of system sizes, the Commission is considering setting aside a portion of the PV allocation for larger installations than this cap might

fund and seeks comment on the merits of such a set-aside and possible processes for selecting such eligible systems, including competitive mechanisms such as an auction.

For SWH systems, the Commission would base the rebate on the rated or modeled Btu production, with a cap on the total award amount. The base rebate would be \$0.07 per rated or modeled kBtu/year, capped at 25% of the cost of the facility or \$50,000, whichever is less, as a one-time incentive payment.

6. Other program considerations. In order to be eligible for a rebate under the C&I program, qualifying projects must include an energy audit of the building site, and the installation of some of the recommended measures, including measures that have a simple payback of 3 years or less. In addition, the entity must have been in operation/existence for at least 2 years. Applicants would also be required to submit background materials on the project including, but not limited to, labor warranties and installer certification of the system and its estimated production.

Staff will conduct a technical session on August 19, 2010 at 10:00 a.m. at the Commission's offices to discuss the C&I rebate program. The technical session is open to the public and interested parties.

The Commission will hold a hearing on August 30, 2010 to receive public comment on the C&I rebate proposal. The Commission will also accept written public comment through September 3, 2010.

The filing raises, inter alia, issues related to: whether the Commission should establish a commercial and industrial renewable energy rebate program; whether the proposed program should be limited to PV and SWH systems; what the conditions, qualifications, requirements and incentive levels of the program should be; how the Commission should allocate limited funds for

the program; and, whether the proposed program is consistent with RSA 362:F:10. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

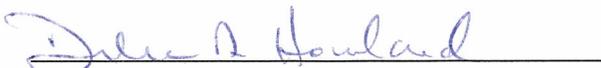
ORDERED, that a public comment hearing on Staff's recommendations be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on August 30, 2010 at 10:00 a.m.; and it is

FURTHER ORDERED, that Staff will conduct a technical session to discuss the C&I rebate program on August 19, 2010 at 10:00 a.m.; and it is

FURTHER ORDERED, that comments and suggestions may also be filed by September 3, 2010 by email to the executive.director@puc.nh.gov; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, the Executive Director shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than August 14, 2010, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before August 30, 2010;

By order of the Public Utilities Commission of New Hampshire this tenth day of August, 2010.


Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.