

RESILIENT BUILDINGS
— GROUP —
Superior energy performance

New Hampshire 
C-PACE
FINANCING ENERGY EFFICIENCY

March 7, 2016

Ms. Debra Howland
Executive Director
Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

RE: DE 10-212 - Comments to proposed modifications to Commercial and Industrial Solar Rebate Program

Dear Ms. Howland,

Thank you for the opportunity to provide comments regarding modifications proposed to the Docket DE 10-212 Commercial and Industrial Solar Rebate Program, by PUC Staff through the Intra-Department Memo of February 8, 2016 and the Public Comment Hearing on March 3, 2016. We would like to thank you and your team of PUC Staff and Commissioners regarding delivery of New Hampshire-appropriate rebate programs. We heartily agree with the need to modify this program, and hope that this process will be expedited to the best of everyone's ability.

As a quick introduction, modifications to this program will impact our work:

Resilient Buildings Group, our technical, in-the-field team, has a number of projects in commercial buildings that are considering installing photovoltaic systems. Decisions made as a result of this docket will affect the future of these projects.

C-PACE is a new initiative we are launching this spring which connects private financing for energy efficiency and renewable energy projects in commercial buildings to the affected property, not the property owner, through municipal tax assessments. Nationally, about half of C-PACE projects financed are solar.

Engaging outside professionals:

- We agree that the Commission should engage a qualified third-party to audit, review, and report on projects. Adding this step will significantly enhance the quality of workmanship of projects.
- We also feel it would be beneficial for the Commission to engage a third-party to write and publish case studies and press releases about the projects supported by these funds.

Streamlining the rebate application and approval process:

- We agree that rebate program design should align with other programs, such as net-metering.
 - While rebates could be capped at 500kW system size, projects up to 1MW should be able to receive rebates, albeit if warranted at stepped rates that reflect economies of scale. This step would encourage right-sizing of projects and reduce gaming the system to optimize rebates.
- Incorporating a rebate-calculator on the PUC's website would further expedite the process for applicants, developers, and PUC Staff.
- We agree that the PUC should be able to sanction poorly performing contractors, including suspension and/or debarment from program participation.
 - We recommend that this step be made publicly available on the PUC's website so that consumers performing due-diligence will have another tool available to them.
 - Additionally, the New Hampshire Office of Professional Licensure and Certification and other energy program administrators could then be aware of bad actors.
- We agree that PUC Staff should be authorized to use their discretion in making certain decisions within defined parameters regarding dormant projects, queue position, and whether project milestones have been achieved.

Concerns we have about the proposed modifications include:

- We strongly disagree about eliminating an energy audit or assessment on the building from the requirements of this program.
 - We recommend that an assessment or audit be performed prior to the initial application for PV rebate funds as this is a consumer protection step.
 - PUC Staff should not be required to review or analyze the audit or assessment, but it should be provided as evidence that the building owner has received information about how the solar project will impact their energy use and costs relative to their entire facility.
 - We acknowledge that this step may slow down the project's process for the applicant and/or developer and will add an additional cost to the overall project cost.
 - We also acknowledge that many solar developers will find this step counter to their sales effort. Consumers who are well informed about immediate needs and long term energy efficiency projects may elect to modify their projects. A more efficient building may require a smaller solar project.
 - At minimum, data provided to consumers prior to embarking on the rebate should include:
 - Existing conditions about the Site, Building Shell, HVAC Systems, Electrical, potential for Renewable Energy Systems, and Notable Problems.
 - Energy Use and Cost Analysis, incorporated into benchmarking software comparing the building in question to other similar facilities – Portfolio Manager and CBECs software programs are free and allow the building owner to understand how that facility performs compared to others.
 - Suggested improvements
 - Other rebate programs – NHSaves, C-PACE, CDFA's Energy Programs, TRC's Pay for Performance Program – all require energy audits prior to project implementation.

- We remind the PUC that all for-profit and non-profit companies pay into this rebate program through buying their energy which includes the Renewable Portfolio Standard and therefore in some cases Alternate Compliance Payments. As such, they should ALL have access to the funds.
- We strongly disagree about disqualifying USDA REAP Grant awardees – or any other grants or rebates – from PUC Solar C&I Rebates. USDA already has a 25% maximum grant amount relative to the project amount. Additionally, most USDA REAP Grants are tied to USDA loans.
- For non-profit and low-income projects (i.e. housing authorities, low-income housing, and HHS related services) there should be NO percentage cap. Most of these facilities and organizations need to put together multiple funding sources from grants, donations, and loans to make projects work. A cap or percentage of allowable rebate amount onto these projects will stop their development.
 - In many/most cases, non-profit organizations have no other way of affording the cost to own these systems other than to apply for and stack grants.
 - Grant awards are often contingent upon leverage of other funding sources.
 - Grants require tremendous effort, are competitive, and cover a portion of the project costs.
 - Non-profits, by their very nature, provide an important service to the public. Reducing their operational costs through the installation of renewable energy systems will allow them to use more of their sparse funding for mission-driven work, not keeping the lights on.
 - Non-profits do not have access to certain other incentives such as federal tax credits, exemptions, or depreciation. They should not get a double-whammy of also not having access to PUC Rebates.
 - We attach to these Comments a Case Study of a deep-energy retrofit project including solar, that would not have been possible without stacked grants and rebates. We hope to see numerous projects with similar and even better outcomes in the future.
- Moreover, we concur with comments made by other participants in the Public Comments Hearing that municipal, non-profit, low-income, and brown-field projects receive an “adder” to the rebate to further incentivize these projects. All too often, we hear that solar is for The Wealthy. While we categorically disagree with that myth/assessment, we acknowledge it is out there. A small adder to the rebate could further dispel this myth by expanding renewable energy projects to this sector.
- While we absolutely agree with PUC Staff and others that expediting project schedules and achieving milestones are crucial for a successful program, we caution that municipal projects may require certain schedule flexibility due to the timing of Town Meeting. If all other project milestones have been achieved, but the project is stalled while waiting for Town approval, we recommend that PUC Staff have the authority to waive that deadline as they see appropriate.
- We are concerned about the PUC attempting to claw back rebate funds if funded projects are found to have problems with installation after a number of years. This would be very difficult to enforce.
 - To reiterate, we support the PUC’s idea of hiring a third-party to audit and confirm that projects have been installed and are functional at the time of rebate award.
 - Rebates incentivize the acquisition and installation of the solar system; performance incentives such as a feed-in tariff incentivize high levels of performance from the system, encouraging attention to operations and maintenance. It is important to understand the different anticipated outcomes from the different types of incentives.

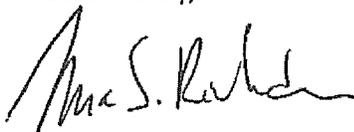
- We are also concerned about the new stipulation that solar developers would be responsible for rebates “promised” but not realized. New Hampshire’s energy policies, programs, and incentives are in a seeming constant state of flux, and this requirement would either raise project costs to cover potential losses or undermine streamlined processes that solar developers have established in order to expedite projects for their clients.
- Stipulations regarding 50% of the System’s Generation still confuse us. We ask that this language be further explained and expanded.

Rebate Levels:

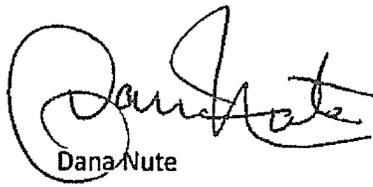
- For Category 1, we recommend that the current \$0.75/watt be reduced to \$0.65 or \$0.70/watt.
- For Category 2, we recommend that the current \$0.65/watt be reduced no lower than \$0.50/watt.
- To reiterate, we also think that an adder – perhaps \$0.05/watt – be available for municipal, non-profit, low-income, and brown-field projects to further encourage their development.
- While we certainly understand the need to reduce rebate amounts as solar costs have decreased significantly over the last few years, we also remind the PUC that other energy costs have also dropped recently and that getting projects to “pencil out” can still be a challenge.
 - Furthermore, RSA 53-F, the NH Statute guiding the C-PACE program, requires a Savings-to-Investment Ratio of >1, meaning that the value of the energy saved is more than the value of the repayment of project financing. In order to achieve this requirement and qualify for the program, most solar projects will rely on incentives to reduce the costs of the project.

In conclusion, Jordan Institute and Resilient Buildings Group appreciate this opportunity to share our comments and concerns. We think the PUC Staff have done an excellent job with the rebate programs thus far, despite a paucity of resources, technical systems, and other constraints.

Most sincerely,



Laura Richardson
Executive Director
The Jordan Institute



Dana Nute
General Manager
Resilient Buildings Group, Inc.

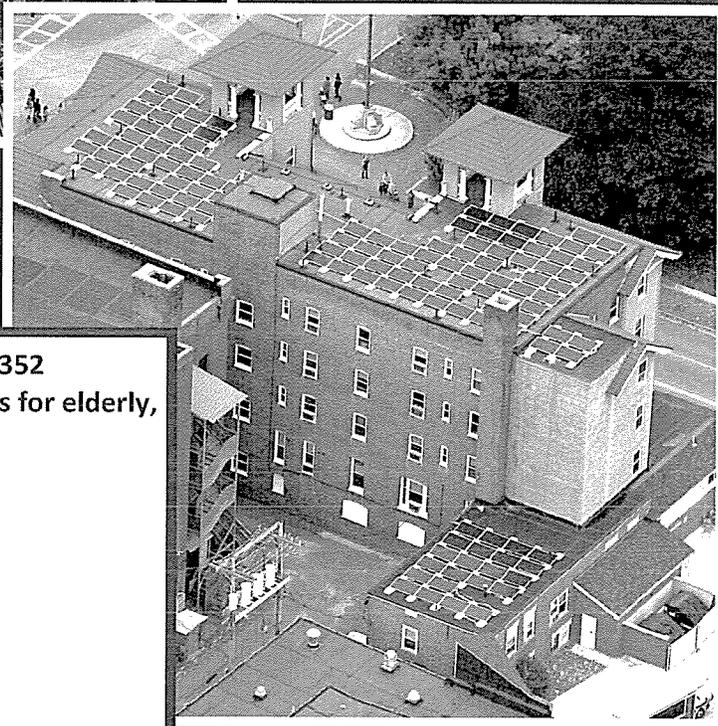
encl: Case Study of Stafford House project



Stafford House, Laconia

Ready for
the next
100 years

29% Energy Savings
\$23,500 Annual Savings



Year built: 1912; Year renovated: 2015; SF: 36,352

Building use: 50 independent living apartments for elderly, low-income, and people with disabilities

Services provided by RBG:

- ◆ Energy Audit
- ◆ Funding & Finance Advocacy
- ◆ Energy-Centric Construction Management
- ◆ Commissioning
- ◆ Energy Monitoring & Verification

Upgrades made:

- ◆ Comprehensive airsealing & insulation
- ◆ 149 triple pane low-e krypton-filled windows
- ◆ LED lighting with smart controls in common areas
- ◆ 50 1.28-gallon toilets replaced 4.5 gallon units
- ◆ 34.6 kW photovoltaics solar-electric system
- ◆ New efficient entry way and vestibule

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