

THE STATE OF NEW HAMPSHIRE

CONSUMER ADVOCATE
Meredith A. Hatfield

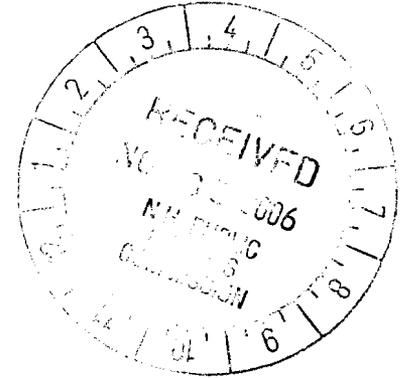
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CONCORD, NEW HAMPSHIRE 03301-2429

November 3, 2006



Debra A. Howland
Executive Director and Secretary
State of New Hampshire
Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

RE: DE 06-061 Federal Energy Policy Act

Dear Ms. Howland:

Enclosed for filing with the Commission, please find an original and seven copies of Reply Comments of the Office of Consumer Advocate on Time Based Metering and Interconnection of Distributed Resources.

Pursuant to the Puc rules copies of the within Reply Comments have been served on all parties in this docket by first class mail as well as electronically.

Respectfully,

A handwritten signature in cursive script, appearing to read "M Hatfield".

Meredith A. Hatfield
Consumer Advocate

Enclosures
cc: service list



**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 06-061

**REPLY COMMENTS OF THE OFFICE OF CONSUMER ADVOCATE ON
TIME BASED METERING AND INTERCONNECTION OF DISTRIBUTED
RESOURCES**

Pursuant to the procedural schedule and scoping documents filed in this docket, the Office of Consumer Advocate (OCA) provides the following comments on the two issues currently under review by the Commission: Time Based Metering and Communications and Interconnection of Distributed Resources. We raise the following thoughts and questions for further discussion:

A. Time Based Metering (“Smart Metering”)

The OCA looks forward to working with the Parties and Staff to continue to investigate opportunities to implement cost-effective metering policies and programs to allow customers to respond to price signals, and to use new technology to help reduce peak demand and to take advantage of programs such as the Forward Capacity Market payments for demand reductions.

1. It is the OCA’s understanding that non-utility 3rd party Demand Response providers (such as Comverge and EnerNoc) offer peak demand control to both residential and non-residential customers, and that the programs accounted for a good portion of the peak reduction in New England on August 6, 2006. These programs include 1-way load control devices attached to central A/C, hot water heaters, pool pumps, etc. If it is profitable for these 3rd party providers to operate in New England, would it be beneficial to either invite them to participate in this docket or to have the New Hampshire utilities address the costs and benefits of offering similar products through a tariff?
2. The Parties and Staff should carefully review the Evaluations of the Energy-Smart Pricing PlanSM that was piloted in Illinois. We support providing opportunities for residential customers to have the ability to respond to market-based electricity prices, and we are interested in

exploring ways to fund the investments necessary to allow residential customers to have this opportunity. As mentioned above, we are interested in looking at ways to fund such a program through mechanisms such as Forward Capacity Payments received for peak demand reductions.

3. A voluntary pilot program, where customers pay for their own equipment, may be an option to test the feasibility of a smart metering program in New Hampshire.
4. We believe that it is important that we address the limitations of the computer systems of the New Hampshire utilities so that they are not a barrier to providing market-based price signals to customers. Those utilities current undergoing redesign or upgrading of computer systems should incorporate any necessary additional changes required to accommodate smart metering now to avoid additional costly changes at a later date. We also note that these issues are not limited to smart metering or market pricing programs, as computer system limitations continue to arise in other dockets, including those related to the implementation of low income assistance programs.
5. The Parties and Staff should carefully review the recent Connecticut PUC Order regarding on-peak and off-peak pricing and seasonal rates as ways to implement EPCAct. Are these feasible in New Hampshire?
6. Uniformity and interoperability seem to be key aspects of smart metering programs, so we should be sure to work with other states in the region, as well as with the ISO.
7. Could we use payments for demand reduction from the Forward Capacity Market to fund the necessary investments to implement smart metering and real-time or other pricing programs?
8. We believe that PSNH's statement that the benefits of smart metering would be partially or completely offset by the costs of installing and maintaining the equipment merits further review.

B. Interconnection of Distributed Resources

1. The OCA agrees with many of the commenters in this docket that New Hampshire has taken significant steps in the past with respect to Net Metering and interconnection specifications for smaller renewable resources. We reserve additional comments with respect to Net Metering for the next phase of this docket when this issue will be investigated in depth, but we do wish to state that we believe that the issue of Interconnection policies for larger resources, especially renewable energy, merits further investigation in this docket. Many of

the parties provided helpful information in their Comments and in Responses to Data Requests. We believe that it would be appropriate for the Parties and Staff to consider the appropriateness of New Hampshire adopting Interconnection standards similar to those in place in other states in New England. It is our belief that we can learn from the experience in Massachusetts, especially because Northeast Utilities, National Grid, and Unitil all do business in that state and presumably were involved in the development of Interconnection policies there.

2. Generally, the OCA believes that consistent, uniform policies for Interconnection, with specific time frames for decision making, are necessary to ensure that those who wish to develop distributed resources and/or renewable generation resources are able to enter the market without barriers. We look forward to working with the parties to review New Hampshire's current policies and to make recommendations to improve them.
3. Lastly, we note a concern that arose for us in reviewing the Comments and Discovery received thus far on this issue: there is a lack of engagement of those who are actively involved in the development to distribution generation and renewable energy resources from a non-utility perspective. We recognize that Granite State Hydropower has intervened in the docket, but we wonder if it would be appropriate to seek other views from the marketplace on the effectiveness of the state's Interconnection policies from those who have experience in our state, or in others, with the siting of distributed generation and renewable energy resources.

We appreciate the opportunity to provide these comments, and we look forward to participating in the technical session on November 15th.