

MEMORANDUM

TO: Martin P. Honigberg, Chairman
Robert R. Scott, Commissioner
Kathryn M. Bailey, Commissioner

CC: Debra Howland, Executive Director
Anne Ross, General Counsel
Eunice Landry, Business Administrator
Elizabeth Nixon, Energy Analyst

FROM: Karen Cramton, Director, Sustainable Energy Division *KFC*

DATE: January 26, 2016

RE: DE 10-024: Request to Approve FY16 program budgets

NHPUC 28 JAN 16 AM 9:27

The Renewable Energy Fund (REF) is a dedicated, non-lapsing fund whose purpose is to support electrical and thermal renewable energy initiatives. In August 2015, the Sustainable Energy Division (SED) recommended the preliminary program allocations in Table 1, based on partially reconciled alternative compliance payments (ACPs) and the Commission's request to expend calendar year (CY) 2013 REF monies, for fiscal year 2016 (July 1, 2015 through June 30, 2016).

Table 1 – Preliminary Renewable Energy Fund Program Budget Allocations

Residential Solar Rebates	\$ 2,401,080
Solar Hot Water Rebates	\$ 50,000
Residential Biomass Rebates	\$ 325,000
<i>Residential Sub-total</i>	<i>\$ 2,776,080 (40%)</i>
C&I Solar Rebates – Category 1	\$ 1,864,119
C&I Solar Rebates – Category 2	\$ 750,000
C&I Biomass Rebates	\$ 800,000
C&I Grants	\$ 750,000
<i>C&I Sub-total</i>	<i>\$ 4,164,119 (60%)</i>

This memorandum is to request approval to amend the program budgets for the REF managed by the SED for fiscal year (FY) 2016. Since August, the Commission has reconciled FY15 carry-forward balances and ACPs; thereby necessitating additional funds be allocated to the FY16 program budgets. Table 2 summarizes the revenues and proposed budget for the REF.

Table 2 – Summary of Renewable Energy Fund***Fund Balance Analysis***

\$17,998,506	Renewable Energy Fund (REF) Balance as of June 30, 2015
3,416,626	CY14 ACP Payments received in FY15
992,843	CY14 ACP Payments received in FY16
(500,000)	Site Evaluation Committee - HB614
(500,000)	Admin Services MOU Hazen Drive - G&C 02/11/2015 #56
\$21,407,975	FY 16 Beginning Fund Balance

Budget Analysis

\$12,936,620	FY15 Program Balance Forward
3,661,030	FY16 Continuing Resolution Program
3,279,169	FY16 Budget & Expend Program
259,287	FY16 Continuing Resolution Administrative
530,849	FY16 Budget & Expend Administrative
\$20,666,954	FY 16 Total Appropriation*
19,876,819	FY 16 Program Appropriation (Adjusted for Administrative)
(179,929)	ACP Adjustments (Prior Year and Current)
(153,627)	FY 14 Grants Encumbered
(1,807,199)	FY 15 Grants Encumbered
(7,561,797)	FY 15 Rebates Committed
(450,000)	FY 15 Grants Anticipated
\$ 9,724,267	FY16 Rebate and Grant Funds Available

*Appropriation reduced by \$741,021 for transfer to Homeland Security and Emergency Management

Program Analysis

\$ 9,724,267	FY16 Adjusted Program Budgets for the REF - 09/01/2015
\$ 4,578,501	Funds Allocated to Residential Sector
\$5,145,766	Funds Allocated to C&I (non-residential) Sector

On August 6, 2015, the Commission released a preliminary program budget to spend \$6,940,199 in state fiscal year 2016 (July 1, 2015 through June 30, 2016). On September 1, 2015, staff completed the reconciliation of carry-forward funds and the alternatives compliance payments, increasing the budget available for programs to by \$2,784,068 for a revised FY16 program budget of \$9,724,267, plus FY15 carry-forward monies. With Commission approval these funds will be allocated to programs as shown in Table 3.

Table 3 – Final Renewable Energy Fund Program Budget Allocations

REF Program	FY15 Encumbered Funds	FY16 Preliminary Budget (Released August 2015)	FY16 Additional Budget Allocation	Final FY16 Budget (FY15 Encumbered + FY16 Preliminary +FY16 Additional)
Residential PV & Wind	\$ 1,315,474	\$ 2,401,080	\$ 1,627,421	\$ 5,343,975
Residential Solar Hot Water	\$ 6,200	\$ 50,000	\$ -	\$ 56,200
Residential Wood Pellet Boiler/Furnace	\$ 53,063	\$ 325,000	\$ 175,000	\$ 553,063
Subtotal Residential	\$ 1,374,737	\$ 2,776,080	\$ 1,802,421	\$ 5,953,238
C&I Solar Original	\$ 1,132,170	\$ -	\$ -	\$ 1,132,170
C&I Solar Category 1	\$ 2,113,682	\$ 1,864,119	\$ -	\$ 3,977,801
C&I Solar Category 2	\$ 2,279,420	\$ 750,000	\$ 856,647	\$ 3,886,067
C&I Biomass Heating Systems	\$ 661,789	\$ 800,000	\$ -	\$ 1,461,789
C&I Grants (2012 & 2013 RFPs)	\$ 153,627	\$ -	\$ -	\$ 153,627
C&I Grants (RFP #2014-003)	\$ 2,257,199	\$ -	\$ -	\$ 2,257,199
C&I Grants (RFP #2015-002)	\$ -	\$ 750,000	\$ 125,000	\$ 875,000
Subtotal C&I	\$ 8,597,887	\$ 4,164,119	\$ 981,647	\$ 13,743,653
Total Residential & C&I	\$ 9,972,624	\$ 6,940,199	\$ 2,784,068	\$ 19,696,891
Administrative Costs	\$ -	\$ 790,136	\$ -	\$ 790,136
ACP Adjustments (Prior Year and Current)	\$ -	\$ -	\$ -	\$ 179,929
Total	\$ 9,972,624	\$ 7,730,335	\$ 2,784,068	\$ 20,666,956 *

*Rounding (FY16 Total Appropriation = \$20,666,954)

#

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov

tomburack@comcast.net

amanda.noonan@puc.nh.gov

barbara.bernstein@puc.nh.gov

cniebling@pelletheat.com

hmoftett@orr-reno.com

Jack.ruderman@puc.nh.gov

jon.osgood@puc.nh.gov

jroche@biaofnh.com

karen.cramton@puc.nh.gov

ketraum@gmail.com

lemayg@nhec.com

lrichardson@jordaninstitute.org

maureen.reno@puc.nh.gov

Meredith.A.Hatfield@oca.nh.gov

mweissflog@kwmanagement.com

ocalitigation@oca.nh.gov

palma@unitil.com

sandra@plymouthenergy.org

sbk@rathlaw.com

solarflare@pobox.com

susan.chamberlin@oca.nh.gov

suzanne.amidon@puc.nh.gov

todd.wicker@nu.com

tom.frantz@puc.nh.gov

Docket #: 10-024-1 Printed: January 28, 2016

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**

DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**

- c) Serve a written copy on each person on the service list not able to receive electronic mail.**