

STATE OF NEW HAMPSHIRE

Intra-Department Communication

DATE: March 26, 2019

AT (OFFICE): NHPUC

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

SUBJECT: DE 10-024, DE 10-212, DE 13-298, DE 15-302, DE 16-614: Request to Reallocate Fiscal Year 2019 Program Budgets

TO: Martin P. Honigberg, Chairman
Kathryn M. Bailey, Commissioner
Michael S. Giaimo, Commissioner
Debra Howland, Executive Director

CC: Juli Pelletier, Business Administrator

The Renewable Energy Fund (REF) is a dedicated, non-lapsing fund whose purpose is to support electrical and thermal renewable energy initiatives. By secretarial letter dated August 29, 2018, the Commission approved the program budget for state fiscal year 2019 (FY19) (July 1, 2018 through June 30, 2019). Budget and program details of the REF are available in the Commission's online docket book for DE 10-024 at <https://www.puc.nh.gov/Regulatory/Docketbk/2010/10-024.html>.

This memorandum requests approval to amend certain program budgets based on current program demand and projected spending for the remainder of FY19 and to authorize the creation of individual program waiting lists to establish priority for the processing of applications if and when additional funding becomes available.

Program Status

Staff monitors REF programs and their respective budgets throughout the fiscal year. As of March 22, 2019, the Residential Solar PV and Wind Rebate program budget is nearly fully reserved. In contrast, the Residential Bulk Fed Wood Pellet Boiler/Furnace Rebate, Commercial and Industrial (C&I) Wood Pellet Bulk Fuel Fed Central Heating Rebate, and the Residential Solar Water Heating Rebate programs have experienced only moderate demand. The C&I Solar Rebate program has available funds but demand is expected to increase and exceed available funding limits. The C&I Competitive Grant program liquidated encumbered funds from expired grant contracts from previous fiscal years providing additional funding for rebate programs in FY19. Table 1 below summarizes approximate available funds for each program.

Table 1: Approximate Available Program Funds as of March 22, 2019

Program	Approximate Funds Available
Residential Solar PV and Wind Rebates	\$1,000
Residential Bulk Fed Wood Pellet Boiler/Furnace Rebates	\$290,000

Residential Solar Water Heating Rebates	\$23,000
C&I Solar Rebates	\$100,000
C&I Wood Pellet Bulk Fuel Fed Central Heating Rebates	\$290,000
C&I Competitive Grant (previous fiscal years)	\$200,000

Program Budget Reallocation Request

Based on historical and anticipated demand, Staff recommends reallocating a total of \$320,000 from various programs, including the C&I Competitive Grant (previous fiscal years), Residential Solar Water Heating Rebate, and Residential Bulk Fed Wood Pellet Boiler/Furnace Rebate programs to the Residential PV and Wind Rebate Program. Staff also recommends reallocating a total of \$100,000 from the C&I Wood Pellet Bulk Fuel Fed Central Heating Rebate program to the C&I Solar Rebate Program. Program budget adjustments are defined in Table 2.

Table 2. Recommended FY19 REF Program Budget Reallocations

Program	FY19 Budget	Adjustment	Adjusted FY19 Budget
Residential PV and Wind Rebates	\$842,625	\$320,000	\$1,162,625
Residential Solar Water Heating Rebates	\$23,705	(\$20,000)	\$3,705
Residential Wood Pellet Boiler/Furnace Rebates	\$544,805	(\$100,000)	\$444,805
C&I Solar Rebates	\$3,486,028	\$100,000	\$3,586,028
C&I Wood Pellet Bulk Fuel Fed Central Heating Rebates	\$725,004	(\$100,000)	\$625,004
C&I Competitive Grant Program (previous fiscal years)	\$200,000	(\$200,000)	\$0

In addition, to help meet anticipated demand for all rebate programs, Staff will continue to monitor for expired step 1 program applications. All applicants with expired step 1 applications will be notified via email and be given 10 business days to submit a completed step 2 application or request an extension. If no action is taken by the applicant within 10 business days, the reserved funds will be “released” and made available to other applications in the queue.

If individual program funds are fully reserved, Staff recommends that the Commission suspend new rebate program reservations and authorize the creation of individual program waiting lists to establish priority for the processing of applications if and when additional funding becomes available. Staff indicated that additional funding for the REF is expected at or around the start of the next fiscal year; July 1, 2019. Staff will also continue to monitor all programs for expired step 1 applications, indicating projects are not moving forward, to release additional funds as appropriate.

The aforementioned recommended reallocation of funds would have an insignificant impact on the reasonable balancing of overall funds expended, allocated, or obligated between the

residential and non-residential program sectors over the 2-year period. (see RSA 362-F:10, X)
The recommended budget adjustments meet other statutory allocation requirements.

Staff recommends the Commission approve the Residential and Commercial and Industrial program budget reallocations that are defined in Table 2, and authorize Staff to establish program waitlists when program FY19 budget funds become fully reserved.

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