

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

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Concord, New Hampshire

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RE: DRM 13-311
RULEMAKING: Puc 900 Group Net Metering.
(Hearing to receive public comments)

PRESENT: Chairman Amy L. Ignatius, Presiding
Commissioner Robert R. Scott
Commissioner Martin P. Honigberg
Sandy Deno, Clerk

APPEARANCES: (No appearances taken)

Court Reporter: Steven E. Patnaude, LCR No. 52

ORIGINAL

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P R O C E E D I N G

CHAIRMAN IGNATIUS: Welcome, everyone. We are here for a formal public hearing on the rules that have been proposed for the PUC's 900 Group Metering provisions. It's a requirement in the rulemaking process that we have a public comment hearing. And, it gives us an opportunity to hear from all of you what your views about the rules in general and any specific issues that you have about particular provisions line by line. We have it recorded by a court reporter, you can see here. We also will be accepting written comments until a date that I'm going to turn to Staff because I can never remember?

MR. SHEEHAN: 9/9.

CHAIRMAN IGNATIUS: All right. September 9th, the close of business September 9th for written comments, if anybody wants to supplement what they might say today. You don't need to do that. You don't have to restate in writing what you've already told us today. But, if it's something that you just didn't think about or you go back and look at again, or you're talking with your colleagues and get some additional ideas, feel free to submit something in writing, as well as anything you do today.

1 I'm sure you saw on the sign-up sheet,
2 and if anyone didn't get a chance to look at the sign-up
3 sheet, we'll make sure we get it to you. There was a box
4 here for whether you wanted to speak or not. Many of you
5 said "no". And, there are times when people didn't think
6 they needed to, but then, when they hear some comment,
7 then they find that there's something they do want to say.
8 So, you're not looked into this. We can, of course, give
9 you the opportunity to say something, if you realize that
10 you do have something you want to say. Or, the reverse,
11 if what you were planning on saying has already been
12 addressed, there's no need to have to do that.

13 I think what's easiest for us is if we
14 have people speaking with a microphone. And, there are a
15 number of them around the room. And, so, sometimes we do
16 it where we leave that front chair, there's a gentleman
17 sitting there that could speak from there, but we might
18 free that up and make that the speaking spot. Or, if the
19 mikes are working throughout the room, and we can kind of
20 shove them around to get to you, that's certainly easy.
21 So, why don't we assume that the mikes are going to be
22 effective. Every now and then they're not plugged in
23 right, but let's assume that they're working, and we'll
24 kind of shift them around for people to pick everybody up.

1 It's a lot easier for the court reporter. You should also
2 remember, with a court reporter, you can't have two people
3 speaking at once. He's very good, but he's not that good.
4 So, you've got to be able to let one person finish before
5 another speaks over them. And, you tend to speak a lot
6 faster when you're reading something. So, if you do have
7 anything written, to slow down as you go, and just
8 remember that he's got to keep up with you.

9 I don't know if anyone has a request to
10 kind of go first. It might be useful for the Staff to set
11 the stage a bit on the rules. And, then, within those of
12 you who are here, if anyone wants to be a designated
13 speaker and go first, even if they're not first on the
14 list, that's perfectly fine with us. We want to be not
15 too formal, we don't want to be intimidating. The whole
16 point is for us to understand your point of view. And, we
17 may have some questions as you go as you talk about the
18 rules. One of the things that will be very helpful is, if
19 you have a specific issue about a drafting, you know, the
20 language itself or a recommendation for a change, as
21 opposed to an overall comment, try to find that section,
22 either by page number or by provision. So, if you could
23 say it's "902.04", and we can all flip to that at the
24 beginning, that's very helpful, so that we can be

1 following along with the specifics.

2 So, why don't I first ask, Mr. Sheehan,
3 if you wanted to provide us some overview of the rules to
4 this date, and any comments that you have to help set the
5 stage.

6 MR. SHEEHAN: Sure.

7 CHAIRMAN IGNATIUS: I think that would
8 be helpful.

9 MR. SHEEHAN: Thank you. About one year
10 ago the Legislature passed a law that provided for Group
11 Net Metering, and required the Commission to come up with
12 rules. Late last year we went through the interim rule
13 process. So, we now have rules in place that are mostly
14 at Puc 909, and the definitions are at Puc 902. Those are
15 the starting base for today, we have rules in place.

16 What's in front of us today is an
17 Initial Proposal for so-called permanent rules. And, we
18 started with the interim rules, and we have made a number
19 of proposed changes to these, what is now going to be the
20 interim rules -- I mean the permanent rules.

21 The source of the changes from last
22 winter to the present are many. Our experience with some
23 people who have been gone through the Group Net Metering
24 process. We have received many informal comments, as

1 Staff has gone through those, "why don't you try this",
2 "why don't you try that". And, we did have some sit-down
3 sessions during the interim rule process. So, all of that
4 resulted in the Initial Proposal that's in front of us all
5 today.

6 The big changes, from the interim rules
7 to what's in front of us today, the Initial Proposal,
8 include the following: We have inserted a definition of
9 "facility", that will have pretty big changes on how the
10 group net metering is carried out. We have changed the
11 registration process a bit. And, now, it's a single
12 registration. And, that's good forever, so long as the
13 host file annual reports, which mostly keep us up to date
14 on addresses and names of participants.

15 We've allowed a provision to transfer
16 the host, which was something that some of the industry
17 wanted, so financing things could happen, *etcetera*. We
18 keep trying to clarify how the payments go between the
19 utilities and the host. It seems simple, but has become
20 rather complex, and we have another attempt to clarify
21 that.

22 The Legislature changed the definition
23 of "customer-generator", which we have picked up in these
24 rules, and we've also tried to clarify that. And, the

1 statute says that "the group host shall be responsible for
2 any costs the utilities incur to accommodate group net
3 metering", and we've put in a provision that will sort of
4 set the procedure to get that done, should the utilities
5 ask for that reimbursement.

6 So, those are the big changes. And,
7 there has been some general reorganization. JLCAR
8 recommended we move some sections from definitions into
9 the rules and vice versa.

10 After the comments we hear today, we did
11 schedule a tech session, where we will take informal
12 comments from the people here, if they have them. It is a
13 suggestion, certainly not a requirement, that if we have
14 some comments about periods and commas, they could be
15 saved for that. Again, that's just a suggestion. People
16 can certainly make those comments at the public hearing as
17 well. Thank you.

18 CHAIRMAN IGNATIUS: Thank you. We have
19 a number of people who've signed in on the sheet, only
20 four have identified that they're interested in speaking
21 at this point. But, again, if there's anyone who has come
22 in late or anyone who changes their mind and wants to
23 speak, that's perfectly fine. Let me just give you those
24 four names, so people know to be getting ready and see if

1 there's a mike near you: Rick Labrecque from PSNH; Mark
2 Dean, from New Hampshire Electric Cooperative; Jonathan
3 Gregory, from Revision Energy; and John Ramsey, from
4 Outdoor Living Investments. That's who's signed up so far
5 to speak.

6 I also have one extra copy that I had in
7 my file of the rules themselves, if anybody doesn't have
8 one and would like one? There you go. Come and get it.

9 MS. KROLL: Thank you.

10 CHAIRMAN IGNATIUS: And, we also have
11 one written comment that we've received thus far, just to
12 note in the record, from Granite State Hydropower
13 Association. On August 18th, 2014, we received a letter
14 from Mr. Norman, President of Granite State Hydropower
15 Association.

16 Then, should we just go in order and
17 begin with Mr. Labrecque?

18 MR. DEAN: I think I've drawn the short
19 straw and volunteered to go first, if you don't mind.

20 CHAIRMAN IGNATIUS: All right. Mr.
21 Dean.

22 MR. DEAN: Thank you. My name is Mark
23 Dean. I'm a lawyer here in Concord, New Hampshire, and I
24 represent the New Hampshire Electric Cooperative. Because

1 there will be a technical session afterwards, I think most
2 of the more detailed items that the Co-op would raise, I
3 think we'll save to that point or to written comments.
4 And, really, I just want to address a couple of what I see
5 as larger, maybe more legal issues, which the Initial
6 Proposal raises.

7 And, I guess I would preface my comments
8 that I think both of the changes that I'm going to direct
9 my comments to, I think they may have come in first in the
10 Initial Proposal, and it wasn't something that was -- we
11 had in front of us when we had more informal discussions
12 previously. So, there may be sort of gaps, in my
13 understanding anyways, of what the intent of the changes
14 are, and look forward to kind of working through that as
15 that may sort of resolve those issues.

16 The first is focusing on the change that
17 has been made to 902.03, the definition of
18 "customer-generator". And, there are two proposed
19 changes. The first in the -- which deals with purchased
20 power agreements, clearly reflects the changes that were
21 enacted through House Bill 1600 last year, and we're in
22 complete agreement with that change. However, at the end,
23 there is this added sentence, which seeks to essentially
24 create a definition for the phrase that appears in the

1 middle of the existing paragraph.

2 So, just by way of context, the
3 importance of 902.03 is that it is essentially the
4 threshold question about whether any particular entity is
5 eligible for net metering of any kind. So, if, obviously,
6 any changes to it may have significant effects.

7 The definition prior to the proposed
8 amendment is essentially word-for-word from the statute
9 that it seeks to implement. In the middle of that
10 word-for-word definition is this clause, if you -- and I
11 don't want to burden everyone by reading through the whole
12 paragraph, but there's a clause midway through that
13 requires that the facility "and is used to offset the
14 customer's own electrical requirements". And, it is that
15 precondition which is being clarified or amended in the
16 last sentence that is being added.

17 And, again, with the preface that we
18 haven't had discussions with the Staff about exactly how
19 they read -- read the statute, and what the purpose of
20 this additional sentence is. But, at first blush, my
21 reading is that the final sentence now added essentially
22 deletes the clause that I referenced earlier from the
23 paragraph. It would seem that it essentially means that
24 there really isn't a question about whether there's some

1 existing customer with an actual load and retail
2 requirement that is being offset by this new generation or
3 this generation that's added.

4 And, if that is the intent, and maybe
5 I'm misreading what the statute means to begin with, but I
6 guess I would suggest that I think at least the lawyers in
7 the room would probably agree that the Commission in a
8 rulemaking couldn't delete that requirement that's in the
9 statute in the middle of the paragraph. And, if the
10 effect of that last sentence is to really delete by
11 addition, then I question whether that is something that
12 can be done in a rulemaking. It may be a wise public
13 policy that the state should adopt, but I just don't know
14 that that's within the scope of a rulemaking change.

15 CHAIRMAN IGNATIUS: I'm sorry. Can you
16 go through some of that again, because I really am not
17 following it. The statutory language that you say has
18 been effectively deleted, is a statutory provision, not a
19 rule provision, correct?

20 MR. DEAN: Well, it's both. Yes, it's
21 statutory and it's in the existing rules.

22 CHAIRMAN IGNATIUS: So, read me the
23 statutory language that you think has somehow been deleted
24 by the inclusion of this new sentence in the rules.

1 MR. DEAN: Okay. So, if I back up in
2 the paragraph, to be a customer-generator, it then
3 references the definition, the statutory definition of
4 ""eligible customer-generator" in 362-A:1-a, II-b". And,
5 that reads that "an electric utility customer who owns,
6 operates", and now amended because of House Bill 1600, "or
7 purchases power from an electrical generating facility."
8 So, now we're talking about the electrical generating
9 facility, I think everything that followed. "Either
10 powered by renewable energy or which employs a heat lead,
11 combined heat and power system, with a total peak
12 generating capacity of up to and including 1 megawatt",
13 so, there's a requirement, "that is located behind a
14 retail meter on the customer's premises", another
15 requirement, "is interconnected with and operates in
16 parallel with the electric grid", another requirement,
17 "and is used to offset the customer's own electrical
18 requirements."

19 It's that last clause that, again, at my
20 reading, I guess my understanding of both the statute and
21 the rule as it existed was that this requirement plays
22 into the whole idea that the definition here is
23 "customer-generator". It's not about a -- just a
24 stand-alone generator. And, so, I have always read that

1 to be that there has to be an offsetting of some load,
2 which is independent of the actual generating facility.
3 And, that's really what I have always understood the
4 purpose of the net metering statute to be. Again, maybe
5 I'm mistaken on that. But I think that, and, so, from my
6 position, you couldn't, in a rulemaking, delete that
7 requirement. It's statutorily derived.

8 When I read the last sentence that's now
9 being added, it's basically saying that -- that
10 "customer's own electrical requirements" can be just the
11 electrical requirements of the facility that you're
12 putting in, period. So that there needs to be no other
13 electrical load or customer usage at retail at that
14 location. So that there could be a vacant lot, a field,
15 whatever you want to say, and the only thing that goes in
16 is a generating unit, and you have qualified under the
17 statute and the rules. And, I can think of many
18 arguments, I guess, for and against why you'd want to do
19 that, but it doesn't seem to me consistent with what the
20 statute provides.

21 CHAIRMAN IGNATIUS: I understand now.
22 Thank you. So, your concern is that, in that extreme
23 example, where the only thing is the generating structure
24 itself, and it uses a small amount of electricity to

1 operate, that that not be -- that usage not be enough to
2 bring someone in under this "customer-generator" category?

3 MR. DEAN: Yes. And, again, it is my
4 assumption, not confirmed in any discussions, but it's --
5 my assumption is that that is the actual purpose of
6 inserting this language. I don't know why else it would
7 be needed but for to cover that extreme example.

8 CHAIRMAN IGNATIUS: All right. And, it
9 may be that, at the end of the hearing, if Staff wants to
10 address comments it hears this morning, or in the tech
11 session, or even as we go along, if there's anything you
12 want to respond to those changes, just give us the high
13 sign.

14 MR. SHEEHAN: I'm happy to take that
15 now, so it's in context.

16 CHAIRMAN IGNATIUS: Sure.

17 MR. SHEEHAN: Mr. Dean is exactly right
18 in the way he read the statute and in the way he's reading
19 that extra sentence at the end, and that is to allow for
20 what he calls the "extreme example". It is a legal
21 discussion whether that is an overreach in the rules that
22 we can't do. But, obviously, we thought we could. And,
23 here was our thinking: The statutory language that the
24 requirement number four that Mr. Dean listed, that the

1 electricity "is used to offset the customer's own
2 electricity requirement", that language has changed over
3 the years as this definition has been readopted. It
4 first -- when it first was enacted, it was that the new
5 energy, the renewable energy is "intended primarily to
6 offset part or all of the customer's own electricity".
7 Then, it was amended in 2010 to say it was "used in the
8 first instance to offset the customer's own use". And,
9 then, in 20 -- I think later in 2010 it came to the
10 current language "used to offset". So, Staff interpreted
11 that progression of the language to be less concerned with
12 the stereotypical solar panel behind the farmer's barn.
13 So, we have an existing customer, the barn, the solar
14 field is back there, and the solar field is being used to
15 offset the barn's use. It's getting away from that, we
16 thought, to the situation that Mr. Dean described, where,
17 yes, there's an empty field, and there's a panel -- an
18 array installed, and what's being offset is just the
19 minimal use of that array.

20 The thinking is, when the developer says
21 "we have a field, we want to put an array in." They call
22 the utility, they say "please put in a meter", that meter
23 is now a customer. So, is the field offsetting that
24 customer's use? Yes. And, again, that's certainly

1 subject to debate. But that was our thinking in getting
2 to this definition. Again, the policy behind it, of
3 course, is to encourage solar development in the way that
4 it seems to be happening. So, it was really a decision to
5 walk that line.

6 CMSR. HONIGBERG: So, Mr. Sheehan, when
7 you said that you "agreed with Mr. Dean's reading of the
8 statute", you agree up to the point where he said he
9 "thinks the Legislature intends that to be a stand-alone
10 requirement that applies to preexisting usage", right?

11 MR. SHEEHAN: Correct. I think that's
12 the rub.

13 CMSR. HONIGBERG: All right.

14 CHAIRMAN IGNATIUS: All right. Thank
15 you. Mr. Dean, continue.

16 MR. DEAN: I guess I would only add one
17 thing to that. That I don't think the statute, nor did I
18 intend my comments to suggest that it had to be a
19 preexisting usage. Clearly, someone could -- you are
20 entitled to do net metering. You don't have to have built
21 your house first. You can do it all at once, if you wish.
22 And, I guess I would simply add that I think the rules of
23 statutory construction are such that you must interpret
24 the statute to give meaning to the words that are there.

1 And, I guess I haven't quite figured out what those, that
2 clause "and is used to offset the customer's own
3 electrical -- electricity requirements" really is doing in
4 the statute, if you add, you know, if you add in this
5 clause at the end. Because I -- I guess, I may be wrong,
6 I'm not an electrical engineer, but it would seem to me
7 any generating unit would at some level meet that
8 requirement. So, I don't know what the purpose of that
9 language would be. But, again, it's a legal argument.

10 The second point really is more just one
11 that I highlight will be an issue of concern, is just
12 there is this new definition of "facility" at 902.09, and
13 part of that definition relies upon "the interconnection
14 with the distribution system through one or more meters",
15 and then here's the language that I'm dealing with, "that
16 the distribution utility has installed or would have
17 installed in the normal course of its business." And, the
18 importance of that definition is probably manyfold, but it
19 interplays with the changes to the definition for "large
20 customer-generator" and "small net-metering generator",
21 which is now "small customer-generator" in 902 proposed 15
22 and 902 proposed 19.

23 And, I think this is just simply one
24 where, at least representing a distribution utility, and I

1 think, on their end, they don't really know what that
2 phrase means about "what has been installed or would have
3 been installed in the normal course of business". And,
4 so, maybe that's something that, in technical sessions, we
5 can hash through, but it doesn't seem to provide us at
6 least at the moment with a whole lot of guidance.

7 And, that concludes my comments.

8 CHAIRMAN IGNATIUS: Thank you.

9 Mr. Sheehan, do you want to respond to that now or wait?

10 MR. SHEEHAN: I'll respond. First, we'd
11 certainly take help on that phrase. I agree it is a not
12 particularly precise phrase. The thought behind it was to
13 eliminate the "artificial division of a plot of land into
14 many facilities for other reasons", mostly rebates or
15 incentives. And, it was the decision in adopting this
16 Initial Proposal that we did not want to encourage a
17 100-acre field to be divided into ten 10-acre facilities
18 solely for some other reason. And, so, the idea was a
19 facility is that single field with a single facility on
20 it.

21 Now, how do you put that into rule
22 language in a way that the utility can apply it, I agree
23 is a problem that Mr. Dean has highlighted. And, I'd be
24 happy to hear -- work on better language, if we can come

1 up with it.

2 CHAIRMAN IGNATIUS: Thank you. Anything
3 else, Mr. Dean?

4 MR. DEAN: No. Thank you.

5 CHAIRMAN IGNATIUS: Thank you for your
6 comments. And, it sounds like there will be more
7 discussion of all of that in the technical session.

8 Mr. Labrecque, did you have other
9 comments from PSNH?

10 MR. LABRECQUE: Good morning. My name
11 is Rick Labrecque, from PSNH. I'm the Manager of the
12 Distributed Generation Group. Thank you for the
13 opportunity to provide comments. We will most likely
14 provide written comments as well on some minor issues we
15 have. But I would like to echo the comments of Mr. Dean
16 and the Co-op on the two issues that were raised.

17 Regarding the definition of "facility",
18 yes, we would like to participate in some kind of
19 discussion this afternoon or after this session, or at
20 some future date, and possibly come up with some
21 improvements there. Although, it may be that the current
22 language proposed is artful in its ambiguity. I've been
23 struggling -- I've been struggling with how we could
24 improve it with ruining it at the same time. But it is

1 working now with the current list of developers we're
2 working with on group projects. They're playing nice and
3 the utilities are playing nice, and it seems to be going
4 along fine. I worry about the future developer who may
5 read this ambiguity as a way to not play nice. So, I'm
6 struggling with it, but we can talk about it during the
7 technical session.

8 I'll just point out that Massachusetts,
9 they enacted language that says something like "a
10 "facility" is the equipment located on a single parcel of
11 land, behind a single point of interconnection, behind a
12 single meter." That sounds pretty good to me, but you can
13 get artificial subdivision of parcels. Although, I
14 suppose, if they were all behind an individual meter --
15 well, yes, that is a problem we're worried about. A large
16 facility being subdivided artificially into small
17 facilities to get preferential rate treatment or rebate
18 treatment. So, that may not be ideal, unless you put in
19 other language to address the "artificial subdivision"
20 issue. And, how far do we want to go?

21 Ultimately, if you do get a developer
22 and a utility banging heads on what we think they're
23 trying to do, and the ethics of it, and the utility, you
24 know, engineers and line crews just want to do their job,

1 not want to be ethical cops. So, we would probably want
2 there to be, and I'm sure there is some overarching
3 Commission responsibility to address disputes, you know,
4 related to these laws. So, whether we needed to make that
5 more specific, in terms of this particular definition or
6 not, is something we can discuss.

7 Regarding the legislative intent of that
8 phrase of "offsetting the customer's own electricity
9 requirements", we just share the concern about legislative
10 intent. And, is this added sentence -- it is going to
11 create a very significant change, if, in fact, the
12 legislative intent was not to allow a pure stand-alone
13 generator to receive retail rate compensation through
14 group net metering. And, I would add that, I agree that
15 the definition has been tweaked a number of times over the
16 years, possibly to eliminate some phrases that were
17 considered ambiguous, like "primarily" or "in the first
18 instance", but the root phrase was left in. So, you could
19 argue that it remains and it has some weight. And, how
20 exactly it is interpreted is debatable without a perfect
21 legislative record.

22 The next comment I would like to make is
23 I would like to see something added to the rules, probably
24 fairly simple, that mentions the Commission's ability, on

1 request, to review the agreements that are signed between
2 a host and their members. I understand that the
3 Commission and Staff don't want to be in the habit of
4 reviewing every single agreement for, you know, whether it
5 meets the requirements of the law. But the law does say
6 that "the Commission shall verify that the group
7 requirements have been met." And, without some ability
8 to, maybe on a random sampling or if ever there was a
9 suspicion that a group host was not acting along the
10 intentions of the legislation, the Commission and Staff
11 could review the agreement and maybe have a sit-down with
12 the group host, and just make sure they were complying
13 with the letter and intent of the law.

14 CHAIRMAN IGNATIUS: And, Mr. Labrecque,
15 do you think that the Commission's general authority to
16 take complaints and review and investigate matters isn't
17 sufficient, you want something more explicit?

18 MR. LABRECQUE: Only to the extent this
19 agreement between a host and, say, 10 or 100 members was
20 somehow deemed to be a proprietary, private document
21 between those participants, and the Commission had no way
22 to get their hands on it. I don't know all the Commission
23 rules and such. So, I'm just throwing it out there.

24 Lastly, I would like the rules to

1 consider the topic of when is -- how does a host notify
2 the Commission that they want to discontinue acting as a
3 host? Or, possibly, is there a term limit on being a
4 host? Do you have to act as a group host for a 12-month
5 minimum term? And, I only raise this because of a
6 discussion with a particular developer. Or, someone who
7 wanted to convert an old hydro station into a group host,
8 and inquired about "can I be a group host during April
9 through November, but then sell my power into the ISO
10 market during December, January, February, *etcetera*, when
11 the prices might be greater than the retail rates for a
12 few months a year?" And, I thought "Good gravy. That
13 certainly would throw the penalty flag, in my mind." So,
14 I think the rules should address that situation.

15 And, that's all I've got. Thank you.

16 CHAIRMAN IGNATIUS: Thank you.

17 Commissioner Scott, a question?

18 CMSR. SCOTT: And, again, I'll caveat
19 this by saying I'm the non-attorney on the Bench here. I
20 just want to throw out that, on the question of PUC
21 authority in reviewing agreements, I would just also
22 caution, from my mind, if we -- I think we have pretty
23 broad authority, I think that's understood. I would -- I
24 have some reservation, if we say we have authority to do a

1 certain thing in the rule, does that exclude other things
2 or would that be read to exclude other things? So, again,
3 I just -- I'm not suggesting it's a bad suggestion. I
4 just don't want to limit us either.

5 MR. LABRECQUE: Okay. Thank you.

6 CHAIRMAN IGNATIUS: Did Staff have any
7 comments on that one?

8 MR. SHEEHAN: No, ma'am.

9 CHAIRMAN IGNATIUS: All right. Thank
10 you. Then, next on the sheet we have Jonathan Gregory,
11 from Revision Energy.

12 MR. GREGORY: I'm going to pass my
13 comments off to my colleague, Sam LaVallee.

14 CHAIRMAN IGNATIUS: All right. And, it
15 looks like he's coming up right behind you.

16 MR. LaVALLEE: Hi.

17 CHAIRMAN IGNATIUS: And, for the record,
18 I'm not sure, you may have gotten here after the sheet was
19 filled out?

20 MR. LaVALLEE: Yes.

21 CHAIRMAN IGNATIUS: Let's just make sure
22 we get your name for the reporter, if you can spell it.

23 MR. LaVALLEE: Yes. It's Sam LaVallee,
24 L-a-V-, as in "Victor", a-l-l-e-e.

1 CHAIRMAN IGNATIUS: All right.

2 MR. LaVALLEE: My name is Sam LaVallee,
3 and I'm here to represent Revision Energy, a solar
4 contractor in New Hampshire, Maine, Vermont, and
5 Massachusetts. And, I'd just like to discuss briefly two
6 points regarding the proposed NHPUC Net Energy Billing
7 Rules for group net-metered solar projects.

8 And, the first is that, under existing
9 rules, compensation for net-metered generation is paid to
10 the host pursuant to the rate class of the host meter.
11 However, in many cases, the host of a group net-metered
12 project pays commercial rates, while the members pay
13 residential rates. In these cases, residential members
14 are compensated for net-metered generation at the lower
15 commercial rates, rather than residential rates, resulting
16 in a *de facto* penalty to all members and a windfall for
17 the utility. And, we recommend that the group net
18 metering rules be revised such that the host meter is
19 classified based on the meter tariff of its members. We
20 believe that this is the fairest outcome for both the
21 utility and the customer.

22 CHAIRMAN IGNATIUS: And, if you had a
23 mix of meters, the members themselves were mixed between
24 commercial and residential, what would you do in that

1 case?

2 MR. LaVALLEE: It would be based on the
3 membership. So, you can use just some sort of simple
4 weighted average for compensation, where, you know, the
5 commercial off-takers are paying commercial or are
6 receiving commercial compensation, such that, you know,
7 there's just not a -- there's no windfall and no
8 differential between what they're being compensated for
9 for the solar generation versus what they would have paid
10 the utility.

11 CHAIRMAN IGNATIUS: All right.

12 MR. LaVALLEE: Does that makes sense?

13 CHAIRMAN IGNATIUS: I get the concept.

14 (Laughter.)

15 CHAIRMAN IGNATIUS: The mechanics,
16 sounds a little hard, but some people can work on. All
17 right. Anything further?

18 MR. LaVALLEE: Yes. We've got one more.

19 CHAIRMAN IGNATIUS: Okay. Please.

20 MR. LaVALLEE: And, the second one, and
21 I'll -- just forgive me in advance, this was written by
22 our attorney. So, I may not be able to answer some of the
23 specifics, if you have questions for me.

24 But we recommend that the following

1 highlighted change to the definition of "facility", in
2 Section 902.09. "Puc 902.09 "Facility" means the energy
3 generating equipment interconnected with the electrical
4 distribution system through one or more meters that the
5 distribution utility has installed, or would have
6 installed in the normal course of business. Where a group
7 host and all group members consist of the same person or
8 entity, "facility" means the energy generating equipment
9 interconnected with the electric distribution system
10 through a single meter."

11 As drafted, the current definition
12 arbitrarily limits the ability of larger customers, such
13 as medium sized towns or cities, college campuses, school
14 districts, medical facilities, state schools and agencies,
15 and many others, to build multiple distributed solar
16 projects of under 100 kilowatts capacity on different
17 sites. For example, if a single customer, such as the
18 Town of Concord, built a 99 kilowatt project at its
19 landfill, net metered against other town loads, it would
20 be a "small generator". But, if it then added a second 40
21 kilowatt project at a fire station or a library, also net
22 metered against other town loads, then the total capacity
23 would exceed 100 kilowatts. And, under current definition
24 of "facility", both projects would be reclassified as

1 "large generators", and the energy cost savings to the
2 town would be reduced.

3 Because of the value of solar generation
4 per kilowatt-hour is higher for facilities classified as
5 "small generators", often by as much as 30 to 40 percent
6 compared to a facility classified as a "large generator",
7 the net effect will be to make it uneconomic for any
8 single customer to build more than 99 kilowatts of solar.
9 This arbitrarily limits the ability of larger customers
10 with dispersed buildings, or large campuses with many
11 buildings, to participate in the Group Net Metering
12 Program.

13 CHAIRMAN IGNATIUS: Thank you. I don't
14 know if you have a copy of that that you can --

15 MR. LaVALLEE: I do.

16 CHAIRMAN IGNATIUS: -- leave with us,
17 since I didn't write fast enough to get all of the
18 definition recommendation?

19 MR. LaVALLEE: Okay.

20 CHAIRMAN IGNATIUS: That would be
21 helpful.

22 MR. LaVALLEE: Okay.

23 CHAIRMAN IGNATIUS: Thank you. Then, if
24 there's nothing further from you or Mr. Gregory, then the

1 last person who so far has checked wanting to speak is
2 John Ramsey of Outdoor Living Investments.

3 MR. RAMSEY: Certainly. I'm John
4 Ramsey. We are a UK-based funding organization, primarily
5 focused on renewable energy and associated renewable
6 energy projects. My comments are of a very general
7 nature.

8 In the other 17 deregulated states, we
9 establish relationships with either the local generator or
10 the local distributor, depending on who and where, to
11 enter into developing production facilities, all renewably
12 based, but not different than, say, the Bow plant, all
13 operating for the greater good of that immediate area.

14 Our primary -- we're behind everything
15 that's going on in New Hampshire. We live here, despite
16 the fact that we seem to work everywhere else, but we live
17 here. And, I think the primary purpose, and I think all
18 the comments that were made today were excellent, the
19 primary purpose of this, from our point of view, is to
20 develop a, in effect, a cogeneration relationship with the
21 present provider, and to lighten the load on the grid, and
22 to make it work more efficiently for everyone.

23 The comments that were made about the
24 fears of "subdividing land", or *etcetera*, I have no good

1 or bad things to say about that. I think, if someone is
2 willing to take that kind of step, and is willing to apply
3 for let's call it a "minor subdivision", to call it
4 something, and to make a positive input into the
5 environment and their neighbors, because, as we all know,
6 it's not specifically like setting up a solar field on a
7 house, on a field, or on multiple acres, is directly
8 benefiting any one person who set it up, it directly
9 benefits everyone who takes that power. So, it has its
10 overall positive and overriding aspect, from my point of
11 view, from our point of view, is it's providing a positive
12 public service. If it involves subdividing it ten times
13 over, leaving the rebates out of it, personally, I'm not
14 even in favor of the rebates, but leaving all of that
15 aspect out, if it's providing a positive aspect to the
16 public at large, we are totally behind that.

17 That's really all of my comments. Thank
18 you.

19 CHAIRMAN IGNATIUS: Thank you. All
20 right. Was there anyone who did not sign in who would
21 like to speak?

22 (No verbal response)

23 CHAIRMAN IGNATIUS: Anyone who has
24 something they hadn't thought they needed to say, but they

1 now realize that they do want to, raise your hand? Yes,
2 sir.

3 MR. DONOGHUE: I'm Terry Donoghue, with
4 Norwich Technologies. And, the part of the rules where
5 the meter being installed as "part of normal operations of
6 the utility", the different incentive regime between a
7 residential and a commercial is significant. And, so, one
8 of the questions that we've tossed around as potentially
9 developing these types of facilities is, if we had the hay
10 field behind the barn and wanted a new meter, and, for the
11 purposes of basically just hosting for other -- for the
12 members, it would just be a parasitic load, would that be
13 qualified as a "commercial meter" by the utilities?

14 CHAIRMAN IGNATIUS: And, maybe that's
15 something that in the tech session afterwards you can have
16 more discussion about.

17 MR. DONOGHUE: Okay.

18 CHAIRMAN IGNATIUS: Thank you. Anyone
19 else who hadn't planned on speaking, but would like to?

20 (No verbal response)

21 CHAIRMAN IGNATIUS: Anyone else who has
22 already spoken, but there's something else that occurs to
23 you you want to comment on?

24 (No verbal response)

1 CHAIRMAN IGNATIUS: All right. Staff,
2 anything else you wanted to add?

3 MR. SHEEHAN: Nothing further. Thank
4 you.

5 CHAIRMAN IGNATIUS: You have a tech
6 session beginning once we're concluded here?

7 MR. SHEEHAN: Yes, ma'am.

8 CHAIRMAN IGNATIUS: All right. And,
9 then, the written comment deadline is September 9th, end
10 of business. And, you don't need to restate anything,
11 but, obviously, any further comments are welcome, and any
12 specific wording changes are always welcome, so that that
13 sometimes helps us to understand, not just the concept of
14 what you're looking for, but the actual mechanics of how
15 you would propose to make it work. You don't have to
16 worry about the drafting requirements that we have, we'll
17 figure that out with the Rules Staff. But anything that's
18 specific is always useful to us.

19 Nothing else from my colleagues. Well,
20 then, I want to thank you. This is a great turnout. It's
21 helpful to us to hear from you directly. It's obviously
22 something that's of real interest in the industry, given
23 the number of people who have taken time to come here
24 today, and we really appreciate your involvement in it.

1 Hope that the end result is as strong a set of rules as we
2 possibly can develop. So, thank you. I'll leave you to
3 the tech session. And, this portion of the proceeding is
4 adjourned. Thanks.

5 **(Whereupon the hearing was adjourned at**
6 **10:53 a.m., and a technical session was**
7 **held thereafter.)**