

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: June 19, 2015
AT (OFFICE): NHPUC

FROM:  Elizabeth Nixon, Energy Analyst

SUBJECT: Staff Recommendation to Open a Docket to Investigate Utility Guidelines for Managing their Net Metering Queues and related Interconnection Practices

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

cc: Debra Howland, David Shulock, Karen Cramton, Tom Frantz,
Michael Sheehan, David Wiesner

RSA 362-A:9 requires electric distribution utilities (utilities) to establish net metering tariffs for their customer-generators. The utilities “shall” make net metering available to customer-generators on a “first-come, first-served basis ... until such time as the total rated generating capacity owned or operated by eligible customer-generators totals a number equal to 50 megawatts.” *Id.* The statute provides a formula by which each utility was assigned a pro rata share of the 50 megawatt cap. Each utility’s share of the cap is stated in Puc 903.02(b) (“Granite State Electric Company, 4.12 MW; New Hampshire Electric Cooperative, Inc., 3.16 MW; Public Service Company of New Hampshire, 36.55 MW; and Until Energy Systems, Inc., 6.17 MW”). The New Hampshire Electric Cooperative has already exceeded its share of the net metering cap. The other utilities appear to be approaching their respective share of the cap due to the recent increase in proposed solar photovoltaic installations and hydro installations switching to group net metering.

An important issue facing the net metering community as each utility approaches its respective cap is the interpretation of “first-come, first-served.” The manner in which the utilities decide who was first becomes more important because, when the cap is exhausted, utilities are not provided guidance on how to handle net metering to the next customer. Staff recommends an investigation or other appropriate proceeding to examine the meaning and effect of the phrase “first-come, first-served,” with a potential objective of developing uniform, just, and reasonable guidelines for utility management of the net metering applicant queues.

Utilities’ interconnection requirements are related to management of the net metering queue. An applicant’s progress through the interconnection process will likely be an important factor in determining its position in line. Although Puc 904 provides guidance in this area, the rules are silent as to how the interconnection provisions apply to the net metering queue, and the utilities may have varying policies with respect to queue

management, even though they comply with the express requirements of the interconnection procedure rules. Staff therefore recommends that the investigation requested above also examine utility interconnection requirements, and consider whether uniform interconnection queue management procedures would be useful in managing net metering applicant queues.

Finally, Staff recommends that the investigation accept utility and public input regarding other issues relevant to the interconnection policies, the net metering queue, and the net metering cap. These issues may include the capacity (e.g., max AC or nominal AC) that should be used to determine the cap, determining what is required of the utilities after the cap is reached, what options the utilities have after the cap is reached, and the utilities' intentions for net metering after they reach their share of the cap. Such input may inform the Commission's decisions on the queue issues for the proposed docket described above, and they may also inform future proceedings related to the net metering cap.