

STATE OF NEW HAMPSHIRE

Intra-Department Communication

DATE: May 6, 2016

AT (OFFICE): NHPUC

FROM: Karen P. Cramton, Director, Sustainable Energy Division
Elizabeth R. Nixon, Energy Analyst

SUBJECT: DE 15-271, Examination of Electric Distribution Utility
Interconnection and Queue Management Processes for
Net-Metered Customer-Generators

TO: Martin P. Honigberg, Chairman
Robert R. Scott, Commissioner
Kathryn M. Bailey, Commissioner
Debra A. Howland, Executive Director and Secretary

CC: David K. Wiesner, Staff Attorney

The Commission approved and directed the three regulated electric distribution utilities to adopt and implement Net Metering Program Capacity Allocation Procedures (Procedures), in its Order No. 25,874 issued on March 22, 2016. On May 2, 2016, two legislative enactments became effective that potentially affect certain provisions of the Procedures. Staff recommends that the Commission clarify how the Procedures should be administered in light of these recent legislative changes.

Staff has reviewed both House Bill 1116 (HB 1116), relative to net metering, and Senate Bill 378 (SB 378), relative to the availability of net metering tariffs. Staff has identified the following provisions of HB 1116 and SB 378 that potentially affect administration of the Procedures by the utilities:¹

1. Utility Net Metering Waitlists. HB 1116 effectively eliminates the need for the utilities to maintain any net metering waitlists, as it provides that net metering will continue indefinitely without limit, provided, however, that only the next 50 MW of eligible projects (subject to allocation among the three utilities and a further 80% allocation to projects with capacity less than or equal to 100 kW and 20% allocation to projects greater than 100 kW but not greater than 1 MW) will be entitled to net meter at the current applicable net metering rates until 2040 and any projects above the applicable limits will net meter at the current rates only until new alternative net metering tariffs are developed and become effective and then will be subject to such alternative tariffs.

¹ Note these are issues identified by Staff which impact the Procedures, based on its preliminary review, and additional issues arising from the legislative enactments may also be relevant; the issues list included in this memorandum therefore should not be considered exhaustive or definitive.

2. Milestones Applicable to Previously Waitlisted Projects. The Procedures provide that “[p]rojects with an existing allocation as of the effective date of these procedures shall have 30 days following such effective date to demonstrate compliance with all applicable milestones and other requirements otherwise required by these procedures.” Staff understands that Eversource implemented the Procedures effective as of April 18, 2016 and has notified net metering applicants that they have until May 18, 2016 to demonstrate compliance with all relevant milestones. Staff believes that similar milestone compliance requirements should apply to projects that were waitlisted until the May 2, 2016 effective date of HB 1116, but that these projects should have a full 30 days to achieve compliance with relevant milestones, i.e., until June 1, 2016.
3. Group Net Metering Host Authorization. SB 378 amended RSA 362-A:9, XIV(a) to include the following new sentence: “Net metering tariffs under this section shall not be made available to a customer-generator group host until such host is registered by the commission.” Staff believes this new provision means that the utility may not grant a net metering capacity allocation to a project that intends to group net meter unless and until the group host has been registered by the Commission pursuant to the applicable rules and procedures. This requirement does not align with the current provisions of subsection (f) of the Type C project allocation conditions on page 3 of the Procedures, which require the utility to make the initial group host eligibility determination. Staff believes that this new provision applies to any project intending to group net meter that had not been granted a utility net metering capacity allocation or waitlist position prior to May 2, 2016.

Staff recommends that the Commission issue the following clarifications with respect to these three issues implicated by the recent enactment of HB 1116 and SB 378:

1. Utility Net Metering Waitlists. Effective as of May 2, 2016, all proposed net metering projects on the utility waitlists should receive net metering program capacity allocations and be removed from the waitlists.
2. Milestones Applicable to Previously Waitlisted Projects. All such proposed net metering projects removed from the utility waitlists and issued net metering program capacity allocations effective as of May 2, 2016 shall have a period of 30 days until June 1, 2016 to demonstrate compliance with all applicable milestones and other requirements otherwise required by the Procedures.
3. Group Net Metering Host Authorization. Effective as of May 2, 2016, no proposed group net metering project will be granted a net metering program capacity allocation by the relevant utility unless and until the project’s customer-generator group host has been registered by the Commission, notwithstanding any contrary or inconsistent provision in the Procedures.

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