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STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

July 30, 2015 - 1:41 p.m.
Concord, New Hampshire

NHPUC SEP14'15 PM 4:13

RE: DE 15-271
ELECTRIC DISTRIBUTION UTILITIES:
Examination of Electric Distribution
Utility Interconnection and Queue
Management Processes for Net-Metered
Customer-Generators.
(Prehearing conference)

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

Sandy Deno, Clerk

APPEARANCES: Reptg. Eversource Energy:
Linda Landis, Esq.
Richard Labrecque

Reptg. Liberty Utilities (Granite State
Electric) Corp., d/b/a Liberty Utilities:
Steven E. Mullen, Manager/Rates & Regulatory
Heather Tebbetts
Michael Licata
Jill Fitzpatrick

Reptg. Unutil Energy Systems, Inc.:
Gary Epler, Esq.
John Bonazoli

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

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APPEARANCES: *(c o n t i n u e d)*

Reptg. Borrego Solar Systems:
Chris Anderson

Reptg. Revision Energy:
Jack Ruderman

Reptg. NHSolarGarden.com:
Douglas L. Patch, Esq. (Orr & Reno)
Michaela Cote

Reptg. Freedom Energy Logistics:
James T. Rodier, Esq.

**Reptg. Vital Communities, Energy Emporium,
Erik Russell and Hana Masseur, Marie
McCormick, and One Court Street Associates:**
Clifton C. Below

Reptg. N.H. Sustainable Energy Association:
Eli Emerson, Esq. (Primmer, Piper...)

Reptg. Residential Ratepayers:
Wayne Jortner, Esq.
Office of Consumer Advocate

Reptg. PUC Staff:
David K. Wiesner, Esq.
Michael J. Sheehan, Esq.
Karen Cramton, Dir./Sustainable Energy Div.
Liz Nixon, Sustainable Energy Division

ALSO PRESENT:

Robert Hayden, Standard Power

Hank Ouimet, Renewable Energy Development Partners

State Rep. Lee Oxenham (Reptg. Sullivan District 1)

State Rep. Frank Edelblut (Reptg. Hillsborough District 38)

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P R O C E E D I N G

1
2 CHAIRMAN HONIGBERG: We're here in
3 Docket DE 15-271, which is all about the queue and net
4 metering. I'm not going to read from the Order of Notice.
5 We're here for a prehearing conference. I understand
6 there's a technical session that will follow. This is an
7 opportunity for people to tell us what they think we
8 should be doing here, how they think this should all turn
9 out in the end. We're going to ask people to keep their
10 comments brief. And, if they have already heard from
11 someone else something that they think is important, they
12 can just say "I agree with him or her", and so we can keep
13 this moving, so you guys can get to your technical
14 session.

15 Before we go any further, why don't we
16 get appearances from people who are here. We usually
17 start down here. So, we're going to start down here.

18 MR. HAYDEN: Hi. My name is Bob Hayden.
19 I'm from Standard Power.

20 CHAIRMAN HONIGBERG: Have you filed
21 anything in this or are you just here to observe?

22 MR. HAYDEN: Here to observe.

23 CHAIRMAN HONIGBERG: All right. Let's
24 limit this to folks who have filed to intervene or who

1 want to file to intervene and haven't done so yet. So,
2 I'm looking at the next table. I see Mr. Epler. I see
3 some others.

4 MR. EPLER: Yes. Good afternoon. Gary
5 Epler, on behalf of Unutil Energy Systems. And, with me
6 is John Bonazoli, Manager of Distribution Engineering.
7 Good afternoon.

8 MS. LANDIS: Good afternoon. I'm Linda
9 Landis, representing Eversource Energy. I am here
10 unexpectedly today filling in for Attorney Bersak and
11 Attorney Fossum. But, fortunately, I have a spokesperson
12 for the Company with me, Rick Labrecque.

13 MR. ANDERSON: Good afternoon. My name
14 is Chris Anderson. I'm here with Borrego Solar Systems.

15 MR. OUIMET: Good afternoon. My name is
16 Hank Ouimet. I'm with Renewable Energy Development
17 Partners. We're a developer.

18 CHAIRMAN HONIGBERG: Have you filed
19 anything yet?

20 MR. OUIMET: No, sir.

21 CHAIRMAN HONIGBERG: Do you intend to?

22 MR. OUIMET: I'm considering it. Yes.

23 CHAIRMAN HONIGBERG: Okay.

24 MR. RUDERMAN: Good afternoon, Mr.

1 Chairman, Commissioners. Jack Ruderman, here on behalf of
2 ReVision Energy.

3 CHAIRMAN HONIGBERG: And, you do have --
4 you do know what the docket number is in this docket,
5 Mr. Ruderman?

6 MR. RUDERMAN: I'm familiar with the
7 docket number, and some of the procedures that will be in
8 play today.

9 MR. RODIER: Good afternoon, Mr.
10 Chairman. Jim Rodier, representing Freedom Energy
11 Logistics.

12 REP. OXENHAM: Representative Lee
13 Oxenham. I'm speaking for the Upper Valley Community of
14 Solarize.

15 CHAIRMAN HONIGBERG: Have you filed
16 anything?

17 REP. OXENHAM: I'm considering it.

18 MR. PATCH: Good afternoon. Doug Patch,
19 from Orr & Reno, on behalf of New Hampshire
20 SolarGarden.com, LLC. And, with me today is Michaela
21 Cote, who is the COO.

22 MR. MULLEN: Good afternoon. Steven
23 Mullen. I'm the Manager of Rates and Regulatory for
24 Liberty Utilities (Granite State Electric) Corp. And,

1 with me today are Heather Tebbetts, Michael Licata, and
2 Jill Fitzpatrick.

3 MR. JORTNER: I guess it's my turn.
4 Wayne Jortner, for the Office of Consumer Advocate.

5 MR. BELOW: Good afternoon,
6 Commissioners. It's nice to see a full Bench.
7 Congratulations. I'm Clifton Below. And, I have filed to
8 intervene on behalf of Vital Communities and its Solarize
9 Lebanon-Enfield Program, as well as Energy Emporium, the
10 partner solar installer, Erik Russell and Hana Masseur,
11 who are Enfield residents who are in the interconnection
12 queue with Liberty Utilities, along with Marie McCormick
13 of Lebanon, who is likewise in the interconnection queue,
14 and One Court Street Associates, a partnership of which
15 I'm the managing general partner, which is in the planning
16 stages for solar PV, and myself, personally, as a customer
17 generator of Liberty Utilities. Thank you.

18 MR. EMERSON: Good afternoon. My name
19 is Eli Emerson, from Primmer, Piper, Eggleston and Cramer.
20 I'm here on behalf of the New Hampshire Sustainable Energy
21 Association, which has filed a Motion for Intervention.
22 And, Kate Epsen, who has also filed a notice of
23 appearance, cannot make it today.

24 CHAIRMAN HONIGBERG: Is it your

1 expectation that both you and Ms. Epsen will be
2 participating in things?

3 MR. EMERSON: Yes. Probably best to
4 consider it that way. But, I think, given vacation
5 schedules, it was also good to have two people filing as
6 an appearance.

7 MR. WIESNER: Good afternoon. David
8 Wiesner representing the Commission Staff. With me at the
9 front table here are Karen Cramton and Liz Nixon of the
10 Sustainable Energy Division, as well as Attorney Michael
11 Sheehan, of the Legal Division.

12 CHAIRMAN HONIGBERG: I think we have one
13 group that filed for intervention that I didn't -- that
14 may not be here, the Alliance for Solar Choice, a
15 Mr. Wiedman, I think? Anybody know anything?

16 (No verbal response)

17 CHAIRMAN HONIGBERG: Seems not.
18 Mr. Wiesner, I'm sorry to put you on the spot, but is
19 there an order of events that we need to follow right
20 here? I mean, is there any issue with the interventions
21 that have been requested? Does anybody want to speak to
22 intervention or against the intervention of any of the
23 parties who have filed?

24 MR. WIESNER: I'm not aware of any

1 objections to the Petitions to Intervene, and Staff has
2 none. So, unless there are objections that are stated
3 here, I don't see any issue with the Commission
4 considering them ripe for granting.

5 CHAIRMAN HONIGBERG: Does anyone have
6 anything to say regarding interventions at this time?
7 Yes, Mr. Below.

8 MR. BELOW: I just wanted to point out a
9 typo in my Petition. On Item 10, it says "I've been
10 authorized by Kimberly Quirk to intervene in this docket
11 on behalf of Vital Communities." That should read "on
12 behalf of Energy Emporium".

13 CHAIRMAN HONIGBERG: Seems like a little
14 bit more than a typo, but --

15 MR. BELOW: Well, elsewhere it says that
16 I've been authorized on behalf of Vital Communities to
17 intervene.

18 CHAIRMAN HONIGBERG: Is there anything
19 else anyone needs to say about interventions at this time?

20 (No verbal response)

21 CHAIRMAN HONIGBERG: I think what we're
22 going to do is take all the requests under advisement. I
23 think, for purposes of the technical session, everyone
24 who's moved to intervene should assume that they're going

1 to be able to participate in this docket. It's likely
2 that they will. But we haven't discussed them. So, we'll
3 discuss them when we're done here today.

4 I think we're going to open the floor up
5 for people who want to state their position regarding the
6 this docket, how it should proceed, what we should be
7 worried about, and what they think the outcome should be
8 at the end.

9 Typically, Staff goes last. So, I'm
10 going to give Staff the opportunity to go last, unless it
11 wants to go first?

12 MR. WIESNER: I'm happy to go last.

13 CHAIRMAN HONIGBERG: I figured you would
14 be. We typically start over on this side of the room and
15 work our way around. So, Mr. Epler, would you like to
16 start?

17 MR. EPLER: Certainly. And, I can
18 brief. We don't have a position that's set in stone at
19 this time. We had a good technical session last week, and
20 it was helpful for us to hear input from all the parties,
21 and we're looking forward to the session this week.

22 We did have an opportunity to consult
23 with the other distribution utilities in the interim.
24 And, there are some talking points that we've come up with

1 that we'll share with the parties during the technical
2 session. And, it's probably best to defer to the
3 technical people to explain those.

4 But, other than that, we're looking
5 forward to participating in the proceeding.

6 CHAIRMAN HONIGBERG: Ms. Landis, I
7 assume you're just going to hand the microphone over to
8 Mr. Labrecque. So, Mr. Labrecque.

9 MS. LANDIS: Yes, I am. Thank you.

10 MR. LABRECQUE: Hi. Thank you. Rick
11 Labrecque, from Eversource. And, I would just echo what
12 Mr. Epler just said. We're looking forward to working
13 through various alternative ways to manage this queue
14 capacity reservation problem we have.

15 We believe the outcome of this docket
16 should be a robust set of process guidelines that all the
17 stakeholders have at least discussed, if not agreed to,
18 that represents, you know, an optimum mix of simplicity to
19 implement, but also serves to ensure that projects that
20 are not sufficiently mature in their developments are not
21 able to maintain a reservation in a very limited program
22 at the moment.

23 Eversource is concerned that, should the
24 utilities reach their capacity limits in these programs,

1 and some are very close if not already over their limits,
2 while there are large, somewhat speculative projects, or
3 at least immature projects in the pipeline, it's going to
4 create a real issue for what is a growing small solar
5 market. And, we see that, in the residential and
6 commercial sector, very few projects that are proposed do
7 not move forward. That's another way of saying "they all
8 move forward", for the most part.

9 It is the larger projects that sometimes
10 are withdrawn during the process. So, it's going to be
11 somewhat challenging to determine which of the larger
12 projects to grant an allocation to and which should be
13 deferred until a specific project milestone is achieved,
14 but that's basically going to be the challenge in this
15 docket.

16 And, like Mr. Epler said, we have some
17 talking points that we'll kick around in the tech session.
18 Thank you.

19 CHAIRMAN HONIGBERG: Mr. Anderson, I
20 think you were next.

21 MR. ANDERSON: Thank you. Is that on?
22 Can you hear me okay?

23 CHAIRMAN HONIGBERG: It is.

24 MR. ANDERSON: Thank you. I would like

1 to echo Rick's comments on the program and the outcome of
2 this docket, in terms of those robust and clear rules.
3 The transparency is critical to developers like Borrego
4 Solar, and others that are developing commercial projects
5 here, I think. I would like to make sure that the outcome
6 does treat the larger projects fairly. I think there's an
7 undercurrent of these smaller -- the smaller solar
8 projects being brought on line. And, I think that, if
9 there are clear rules and milestones for the larger
10 projects, and that the outcome -- the order that comes out
11 of this lays that out fairly, that those projects should
12 be able to remain in the queue, as long as they should be
13 able to get a spot and hold that spot as long as they're
14 making those milestones.

15 And, I would hope that there's
16 consistency across the various utilities, in terms of what
17 those milestones are. And, I think, just in general, we'd
18 like to set the bar high. We agree that there are
19 projects that are not mature. We'd like for there to be a
20 high bar for staying in the queue for the net metering cap
21 space, and we think that that's fair to those smaller
22 projects.

23 But we do feel that we shouldn't have
24 a -- feel the larger projects shouldn't have a, you know,

1 a long timeline, given the limited space, they should be
2 able to get allocation early, based on meeting a series of
3 milestones, and then they should have continued milestones
4 that they have to hit in order to remain in the queue.

5 I'd also just like to express a need for
6 transparency in the -- in the queue, and the projects,
7 both in pre-application and undergoing review of public --
8 just a public documentation of what that is on a frequent
9 basis, so that the developing community can stay aware of
10 those deadlines as we -- those caps as we move towards
11 them. Thank you.

12 CHAIRMAN HONIGBERG: Mr. Ruderman.

13 MR. RUDERMAN: Thank you, Mr. Chairman.
14 I'm not sure. How's that?

15 CHAIRMAN HONIGBERG: Not so good.

16 MR. RUDERMAN: No?

17 CHAIRMAN HONIGBERG: Off the record.

18 (Brief off-the-record discussion
19 ensued.)

20 CHAIRMAN HONIGBERG: Go ahead.

21 MR. RUDERMAN: So, I want to start off
22 just by thanking Staff for bringing this issue to the
23 attention of the Commission. And, I want to thank the
24 Commission for opening a docket. And, I want to say that

1 this is a very, very critical issue for the solar
2 industry. I don't think there are many challenges that
3 are facing the people who are in this room trying to
4 develop projects that loom any larger than possibly not
5 being able to net meter because the utilities have hit
6 their statutory caps. And, therefore, because we are very
7 close in some of the utility territories to hitting the
8 caps, how we move forward, in the time that remains before
9 we hit the caps, is very critical. And, it's very
10 important that we have a process, as others have said,
11 that is uniform and that is transparent.

12 Right now, we have a situation where the
13 utilities don't all have the same policies and procedures
14 for keeping track of who's in the queue, determining which
15 projects go into the queue, and which ones are not quite
16 ripe enough to be in the queue.

17 It's a very fast-changing situation. At
18 the tech session last week, we were told that one of the
19 utilities was within 700 kilowatts of hitting their cap.
20 Before the session got started this afternoon, I heard
21 that over the weekend the utility received close to 50
22 applications for small net metered systems. And, so, that
23 virtually has wiped out what space was remaining in the
24 queue for that particular utility.

1 So, one of the challenges that the
2 Commission faces, and we as stakeholders face, is how to
3 come up with a useful output from this docket before the
4 clock runs out and we hit these net metering caps.

5 So, I guess one of the things I would
6 recommend is that, if there's anything that can be done to
7 expedite this docket, so that we get resolution in a
8 matter of weeks or, you know, a month or two. But,
9 certainly, if this is something that -- if this is a
10 process that takes three months to six months, very
11 likely, by the time we get to the end of the process, most
12 of what we will have worked on will be irrelevant, because
13 we will have actually hit those caps. So, very important.

14 And, again, I appreciate Staff flagging
15 this issue. I think it snuck up on all of us. If you
16 asked most of people in this room three months ago if they
17 were concerned about the caps, most of them would probably
18 have said "no, there's plenty of room", with the exception
19 of the New Hampshire Electric Co-op, and they hit their
20 cap, they're above the cap now, but they're voluntarily
21 continuing to do net metering.

22 So, in any event, I'd like to thank
23 Staff and the Commission for delving into this. And, I
24 hope it will be a productive process with a good result.

1 CHAIRMAN HONIGBERG: Mr. Rodier.

2 MR. RODIER: Mr. Chairman, I've got
3 nothing to add right now. But, perhaps, when I hear what
4 the rest of the comments are, it's likely I'll have
5 nothing to add, but if you could just keep that in mind.

6 CHAIRMAN HONIGBERG: I'll probably give
7 anyone else a chance to speak.

8 MR. RODIER: Thank you.

9 CHAIRMAN HONIGBERG: Probably.

10 MR. RODIER: Yes.

11 CHAIRMAN HONIGBERG: I think, Mr. Patch,
12 I think you were next of the people who's filed.

13 REP. OXENHAM: No. I believe was --
14 excuse me, I believe I was recognized.

15 CHAIRMAN HONIGBERG: We have an open
16 mike up here. I believe your answer to my question "have
17 you filed anything?", was "no, but you were considering
18 it."

19 REP. OXENHAM: Yes. And, an individual
20 had said that previously, and it seemed to be an
21 acceptable form of response.

22 CHAIRMAN HONIGBERG: But you'll note
23 that I didn't call on that person to speak.

24 REP. OXENHAM: I did not.

1 CHAIRMAN HONIGBERG: But here's what
2 we're going to do. Before we get to Mr. Patch, any of the
3 people who are interested observers who are considering
4 joining the party, would any of them like to speak today,
5 other than the representative?

6 (No verbal response)

7 CHAIRMAN HONIGBERG: All right.
8 Representative, why don't you go ahead.

9 REP. OXENHAM: Thank you. I represent
10 Plainfield, Grantham, Springfield, and Cornish. The Upper
11 Valley has been an area of New Hampshire that has been in
12 the forefront of the Solarize movement. We have small
13 companies that are being impacted very heavily by the
14 closing of this cap. It's my understanding that Liberty
15 has closed the queue as of this weekend or early this
16 week.

17 And, I'm here to speak on behalf of the
18 people who are in the process of making a large investment
19 in moving towards a solar future. People who believe in
20 moving forward at this time towards a more distributed
21 kind of grid. And, they're very concerned that this is
22 going to put a stop to a major source of innovation in the
23 New Hampshire economy.

24 So, I'm here to second the efforts of,

1 particular, of Mr. Below and the Energy Emporium, and to
2 make sure that it's registered that there is great
3 concern, both for solar energy in New Hampshire and for
4 our small business community, who are being put at risk by
5 the sudden imposition of this cap.

6 CHAIRMAN HONIGBERG: Well, I think a lot
7 of them are glad that you're here. I think they will want
8 you to stay for the technical session. So, you understand
9 the legal positions that I understand or I expect some of
10 the utilities will be taking about what current New
11 Hampshire law allows and requires. Because that's not
12 something we necessarily have control over, you, however,
13 may have some input in that regard.

14 So, I think that these people will
15 definitely want you to stay and to take careful notes
16 during the technical session.

17 REP. OXENHAM: I will do so.

18 CHAIRMAN HONIGBERG: Mr. Patch.

19 MR. PATCH: We have nothing to add. We
20 look forward to working on the issues that are at stake in
21 this docket. Thank you.

22 CHAIRMAN HONIGBERG: Mr. Mullen, I think
23 you're next.

24 MR. MULLEN: Yes. As discussed by

1 Mr. Epler and Mr. Labrecque, Liberty did have the
2 opportunity to have some discussions with those two
3 utilities, to develop some talking points and try to help
4 the discussion along that we're going to have in the tech
5 session about developing some uniform procedures for
6 managing the queue.

7 Liberty has been receiving a large
8 number of applications lately. And, we look forward to
9 having those discussions with all the stakeholders.

10 CHAIRMAN HONIGBERG: I'm going to come
11 to the OCA and Staff last. So, Mr. Below, I think that
12 puts you up next.

13 MR. BELOW: Thank you.

14 CHAIRMAN HONIGBERG: And, by the way,
15 Mr. Below, it's nice to have you back.

16 MR. BELOW: Okay. Thank you. I wanted
17 to start by addressing the "first-come, first-serve",
18 which is a critical issue in this docket. And, note that
19 it originated in New Hampshire statute with the enactment
20 of House Bill 45, Chapter 261, laws of 1998, of which I
21 was the prime sponsor, and then State Representative Jeb
22 Bradley was the co-sponsor.

23 In turn, this was an issue back in the
24 '90s that we worked on for four legislative sessions.

1 That bill, in particular, had no less than that twelve
2 work sessions, although it dealt with a lot of other
3 issues related to the LEEPA statute. But that particular
4 phrase came into play in October of 1997, in an amendment
5 that I had offered to the Committee, and it was ultimately
6 adopted.

7 But the -- as I think everyone knows,
8 the general rule of statutory interpretation is to look at
9 the plain language of the statute and work from there.
10 And, I would note that "first-come, first-serve" really
11 has its origin in the service industry, particularly food
12 service, or things like -- things like theaters, where
13 there's -- and it's opposed to a reservation system. It
14 is a system where the first people to arrive at the door,
15 who are ready to be seated and served their meal, go
16 first, and so forth.

17 The contrast with "reservation" is
18 significant, because I think there is a concern about
19 using a position in the internet connection application
20 queue as potentially a holding spot, or, like a
21 reservation, when a project's not actually necessarily
22 ready to move forward. So, I think that will be an
23 important issue to discuss.

24 But I'll jump ahead. There are a number

1 of related issues that I think are going to be important
2 to explore. What happens when the last project in goes
3 over the cap, if you've got a 1 megawatt project, which is
4 apparently the case with Liberty Utilities perhaps, and
5 there's only 500 kW left in the cap, and they've got
6 another 500, you know, the project is 1 megawatt, does 500
7 go in at under net metering and 500 under the QF
8 provisions of the tariff?

9 Also, what happens when there's a wait
10 list? Or, what should be done with a wait list? And,
11 have you considered dropouts and even retirements of
12 systems relative to who could get in on the cap?

13 Because Liberty Utilities has
14 apparently, essentially, hit the cap, it has essentially
15 meant a brick wall for the Solarize Lebanon-Enfield
16 effort, which we're sort of -- we're in the middle of.
17 Energy Emporium, for instance, has several scores of site
18 visits which have been completed, scores of contracts that
19 have been offered, more contracts or proposals that have
20 not been issued. All of these for small systems. The
21 average size system in the Solarize Upper Valley Program
22 is only about 5 kW. And, essentially, they don't know
23 what to do next. We've just put out word that the whole
24 effort's on hold until things are sorted out.

1 So, I would urge the Commission to
2 seriously consider issuing a supplemental order of notice,
3 to take into this docket or, alternatively, in a new
4 docket, to begin to address the question of "what happens
5 next?" There's urgency for that, in part, because the
6 Legislature is unlikely to be in a position to act until
7 the next session, which could mean any legislative action
8 would not be enacted until nearly a year from now. And,
9 it is at the end of 2016 that the current 30 percent
10 federal tax credits for both residential and commercial
11 solar installations is -- comes to an end under current
12 law. And, so, for businesses or individuals, who have
13 been working towards this and planning towards this, the
14 immediate question is "what comes next?"

15 There are provisions within tariffs, or
16 at least Liberty Utilities' tariffs, for a QF approach to
17 this situation. It's not clear that that would be a
18 reasonable opportunity for customers to have
19 interconnected self-generation. And, I choose those words
20 in particular, because New Hampshire RSA 374-F:3, II, the
21 "Restructuring Policy Principles", states that "Customers
22 should be able to choose among options such as real time
23 pricing, and generation sources, including interconnected
24 self-generation." And, the LEEPA statute itself, as part

1 of the "Declaration of Purpose" that was part of the
2 enactment of net metering states that --

3 CHAIRMAN HONIGBERG: Slow down a little
4 bit.

5 MR. BELOW: Okay.

6 CHAIRMAN HONIGBERG: Mr. Patnaude's
7 fingers are beginning to smoke.

8 MR. BELOW: Found that -- I was trying
9 to brief, for me. States that it has found that, by the
10 Legislature, that "net energy metering for eligible
11 customer-generators may be one way to provide a reasonable
12 opportunity for small customers to choose interconnected
13 self-generation, encourage private investment in renewable
14 energy resources, stimulate in-state commercialization of
15 innovative and beneficial new technology, enhance the
16 future diversification of the state's energy resource mix,
17 and reduce interconnection and administrative costs." So,
18 the Legislature -- the law is that it recognizes it's one
19 way to enable customers to choose interconnected
20 self-generation.

21 The Co-op, for instance, has been able
22 to, on a fairly short timeframe, come up with another way
23 to do that short of the QF process of requiring all the
24 metered generation to be sold into the wholesale market.

1 So, my hope is that, either through an
2 expanded order of notice, which might give an opportunity
3 for others who are interested in this or have an interest
4 in the question of "what happens next?", and whether there
5 might be a need for tariff and/or rule changes, it would
6 give other parties a chance to come in on this,
7 recognizing that the first order of business is the issue
8 of how the queue is managed. But, for Liberty Utility
9 customers, and installers working in that territory, the
10 question really now is "what happens next?"

11 And, my hope for the outcome in this
12 process, either in this docket or a separate docket that
13 is quickly initiated, would be that the PUC would
14 facilitate a collaborative process, recognizing that
15 there's legitimate interests and concerns of all the
16 parties, but with the hopes that there might be some kind
17 of a consensus that finds a reasonable, just balance that
18 can be an interim set of steps that could be taken while
19 the Legislature has a chance to consider this.

20 I would also notice that there was a
21 bill that was introduced in this session, SB 117, that
22 would have raised the net metering caps as introduced.
23 The Senate committee decided to replace that with a
24 provision directing the PUC to initiate a docket by the

1 end of this month to look at questions around net
2 metering. And, the House ended up killing the bill for
3 reasons unrelated to that. In fact, the blurb on the
4 House action indicates that that particular provision
5 really should have been stand-alone, because it had merit
6 on its own.

7 But the rapidity of which this situation
8 has come upon us is quite significant. It took 17 years,
9 from the time net metering was enacted, 17 years until
10 sometime last month for Liberty Utilities to get halfway
11 to its cap. In your last Renewable Energy Fund Report, at
12 the end of 2013, they were only 5 percent of the way to
13 the cap. So, they took 16 years to get to 5 percent,
14 another year and a half to get to 50 percent, and four to
15 six weeks to get to over 100 percent of the cap; quite the
16 hockey stick.

17 So, because there's so much at stake
18 here, I would urge that you help facilitate a way forward
19 as we hit the cap as well. Thank you.

20 CHAIRMAN HONIGBERG: Thank you.

21 Mr. Emerson.

22 MR. EMERSON: Thank you. I have written
23 down six points that I wanted to make. But I think I
24 heard all of them already brought up. So, I guess just --

1 CHAIRMAN HONIGBERG: Well, what was your
2 most important?

3 MR. EMERSON: Yes. The highlight I'll
4 do, of just the consistency amongst the utilities and
5 their practices, and that it be transparent to customers
6 going in.

7 CHAIRMAN HONIGBERG: Mr. Jortner.

8 MR. JORTNER: Thank you. The Office of
9 Consumer Advocate is certainly supportive of this docket,
10 in order to enhance the clarity and transparency of the
11 queue to, you know, to be a customer net metered, a
12 customer with allocation below the cap. And, it seems to
13 me that, and I guess it's obvious to everybody, that the
14 cap is what's making this more exigent issue these days
15 than it was earlier. Because being, you know, being put
16 off, being -- dropping off the queue is critical, because
17 then you may lose your allocation, and then you're
18 foreclosed from your net metering.

19 So, I was interested to hear
20 Commissioner Below's reference to the Legislature's
21 aborted attempt to raise the cap or eliminate the cap,
22 because it seems to me that would be a solution to many of
23 the issues involving the queue. Or, at least it would
24 provide a breather, in order to perfect the processes

1 associated with the queue and net metering, without the
2 exigent issue of the cap threatening to remove people from
3 the opportunity to do net metering.

4 So, my observation of the technical
5 conference last week was that utilities had varying
6 degrees of concern about exceeding the cap. And,
7 obviously, it's a statutory provision, so, there needs to
8 be a concern about violating a state statute. But, in
9 terms of corporate interest, I noted quite a variety of
10 levels of concern. And, if parties were interested in
11 working together to try to achieve, you know, an increase
12 in the cap or elimination of the cap, I think, for the
13 time being, that would be a workable solution.

14 CHAIRMAN HONIGBERG: Looks like someone
15 in the back wants to speak.

16 REP. EDELBLUT: Thank you for
17 recognizing me. I'm, for the record, Frank Edelblut,
18 Representative Frank Edelblut, from Hillsborough District
19 38. I am not an intervenor on this project. I'm here to
20 gather information. But I have been working on a
21 legislative solution for this process, you know, to try
22 and alleviate -- I think we need a long-term solution, but
23 I think there is some short-term stuff that we can do.
24 The House is back in session on September 16th for a Veto

1 Day. I have been working with the Speaker of the House,
2 as well as the majority leader over in the Senate. If we
3 can reach a conclusion among this group, in terms of how
4 we can do something on a temporary basis to fix that, I
5 have the green light to try to go forward and make that
6 correction or make that fix. But, again, it will depend
7 on what we can come up with in this group.

8 CHAIRMAN HONIGBERG: Mr. Wiesner.

9 MR. WIESNER: Thank you, Mr. Chairman.
10 It's Staff's view that this docket addresses an important
11 and timely issue. Net metering is clearly a critical
12 piece of the puzzle for renewable energy development in
13 this state. And, as the electric utilities approach or
14 even exceed their share of the statutory cap or floor,
15 depending on how you look at it, net metering queue
16 management becomes a vital concern, as you've heard from
17 other parties today.

18 Viable projects should have the
19 opportunity to take and hold their place in line, while
20 speculative paper projects may be weeded out so that they
21 do not take up valuable space in the programs.

22 Staff takes the view there is room for
23 improvement and enhancement in net metering queue
24 management and related interconnection policies of the

1 utilities. And, beginning last week with the initial tech
2 session, I think some substantial progress was made in
3 identifying those potential improvements and beginning to
4 discuss them. And, we hope to continue that as well this
5 afternoon and in the future.

6 It's not clear yet what the end result
7 of this initiative will be or what the Commission's role
8 will be in this docket. This is not a typical electric DE
9 docket. There's no filing before you. There's no
10 proposal to be considered and approved at this point.
11 That is something that we continue to intend to work
12 through with the stakeholders today, and in subsequent
13 technical sessions, hopefully, as Mr. Ruderman suggested,
14 on a very clear and expedited time period.

15 The end result might be either separate
16 or coordinated utility tariff filings presented for your
17 consideration, or it might come before you in the form of
18 a proposal or a recommendation by Staff, or a settlement
19 among parties. That's not clear at this point. So, I
20 guess I would ask you to stay tuned for further
21 developments.

22 Finally, as you heard from former
23 Commissioner Below and others, the fact that Liberty has
24 hit its cap makes this issue even more urgent, and raises

1 the question of "what would happen, what should happen
2 once the cap or floor is exceeded?"

3 I think it's Staff's view that this
4 docket should stay limited to net metering queue
5 management, and should not be expanded to consider those
6 other issues. But we understand the sense of urgency in
7 dealing with that additional question. And, we have
8 discussed it internally. I'm not sure we've developed a
9 fully -- a fully developed proposal for the best path
10 forward on that issue. So, I guess I would ask that the
11 Commission withhold judgment on it at this point. I
12 expect it's an issue that will be addressed, to some
13 extent, during today's technical session, and perhaps in
14 further discussions with interested stakeholders.

15 I believe that's all I have for now.
16 So, thank you.

17 CHAIRMAN HONIGBERG: Commissioner Scott,
18 you have a question for someone.

19 COMMISSIONER SCOTT: I do? Thank you.
20 This is for Liberty. We've heard multiple times that your
21 cap -- your statutory cap has been met. Can you clarify,
22 is it the installed cap? Or, are we talking -- or, is it
23 under the queue, with the assumption being all the
24 projects in the queue would be installed in the future?

1 MR. MULLEN: It's essentially the
2 latter. Those that have paid for the studies and that
3 sort of thing. It's not necessarily the installed cap,
4 but it's those that have met the requirements.

5 COMMISSIONER SCOTT: Thank you.

6 CHAIRMAN HONIGBERG: Mr. Rodier.

7 MR. RODIER: Thank you, Mr. Chairman.
8 Just very briefly.

9 MR. PATNAUDE: Could you get closer
10 though, somewhere --

11 MR. RODIER: Sure.

12 MR. PATNAUDE: Thank you.

13 MR. RODIER: Thank you. Just following
14 up, I think, on Cliff Below's vision here or comment. He
15 talked about going forward. And, I think that we always
16 have to be mindful of where we are, as always, like a
17 transition to something else.

18 And, so, in that regard, I notice that
19 in Maine and Massachusetts, that there's a move afoot to
20 perhaps go beyond net metering. And, the general idea is
21 a value of solar --

22 (Court reporter interruption.)

23 MR. RODIER: The general idea is a
24 "value of solar" approach, which, basically, is not a "net

1 metering" approach, it's that you value -- put a value on
2 "what is the value of intermittent energy?" And, I think
3 those states are moving towards that framework, because
4 they want a more stable, secure paradigm here moving
5 ahead. So, I suggest somebody might want to look at more
6 carefully what's going on in Massachusetts and Maine.
7 I'll bet some people here know about this a lot more than
8 I do.

9 And, the other part of it is, as you
10 look out, the question has to be asked "what about
11 distributed generation?" You know, that's not renewable,
12 but some of it, particularly the stuff that's fed by
13 natural gas, should have a place as well.

14 And, then, finally, go far enough out, I
15 don't know whether it's five years or eight years or
16 whatever it is, you're going to have a two-way grid. I
17 think that's the ultimate endpoint here. Electricity goes
18 down the system and electricity comes in the system. And,
19 so, therefore, probably not telling the Commission
20 anything they don't know, but we should try to keep the
21 end in mind as much as possible. Thank you.

22 CHAIRMAN HONIGBERG: Commissioner Scott.

23 COMMISSIONER SCOTT: Thank you. I'm
24 back to Liberty again. I just wanted to follow up. So, a

1 quick question. How are you addressing, so, if I come, as
2 a customer, I come today to enter the queue, am I being
3 told "we're not accepting applications"? Or can you
4 explain to me what you're actually doing with customers
5 now?

6 CHAIRMAN HONIGBERG: Mr. Licata.

7 MR. LICATA: Mr. Chairman,
8 Commissioners, thank you so much. Maybe I can answer that
9 question on behalf of the Company. Right now, customers
10 who apply for an interconnection, express an interest in
11 net metering, are informed that we have hit our statutory
12 cap. They're being put on a wait list. And, the Company
13 is developing internal procedures on how to deal with
14 those interconnection requests going forward.

15 COMMISSIONER SCOTT: Thank you.

16 CHAIRMAN HONIGBERG: Is there
17 anything -- is there anything else anyone wants to say,
18 before we leave you to your technical session?

19 Yes, Mr. Anderson.

20 MR. ANDERSON: Thank you. I'd like to
21 add simply that the current rules that the PUC are
22 following has a provision or there is actually a provision
23 for provisional approval of a group host authorization,
24 it's apparently a requirement of several of the utilities,

1 or at least one of the utilities' process for reserving
2 cap space.

3 And, although I know our Peterborough
4 project, which is essentially 99 percent complete, we have
5 yet to receive an approval. And, I know that large
6 projects that are being developed, typically, those large
7 users are on competitive supply, and that they have
8 contracts associated with those. And, so, there are --
9 there are times in the future when those contracts will
10 end inside of the window when these projects have to be
11 complete. And, if those -- the rules clearly state that
12 if a clear point in the future is known at which the
13 project will meet and be back on default supply, that the
14 provisional approval should be granted. And, we've
15 applied for that with Peterborough, and we have yet to
16 receive a provisional approval.

17 And, so, with all of the cap space being
18 reserved quickly, I'm very concerned that the project
19 doesn't get under the cap, and that we will have built the
20 project with that in mind, and the state will have funded
21 that through the Renewable Energy Fund, and the project
22 won't be interconnected under the cap.

23 So, we just seek clarity in applying
24 that provisional approval or some additional rules, in

1 terms of granting that provisional approval for that
2 project. Thank you.

3 CHAIRMAN HONIGBERG: Just quickly
4 responding to that, it seems like maybe you might want to
5 touch base with Staff on what other options you might have
6 to present that issue. It's not entirely -- I mean, I
7 understand why it's related to what we're talking about
8 here, but I'm not certain that this docket is one where
9 you can get the kind of help you might need for that.

10 MR. ANDERSON: I guess my point would
11 just be that this is -- this is, as Mr. Wiesner is saying,
12 this is related to queue management. If we're limiting
13 this to queue management, this is clearly a queue
14 management issue. There's a provision around us being in
15 the net metering queue, there's a provision for getting a
16 provisional group host authorization, which is part of the
17 process, and yet -- it's something that I have been told
18 has never been done. And, there seems to be a lack of at
19 least clarity on the Staff's behalf on how to move that
20 forward or issue that provisional approval.

21 So, I'm hoping that -- yes, we're
22 working with Staff. We're hoping that that will become
23 transparent, and we'll understand what that is. But, I
24 guess, if we don't move forward, we're hoping the

1 Commission can help clarify the rules.

2 CHAIRMAN HONIGBERG: Okay. Thank you.
3 Representative, I think you wanted to say something else?

4 REP. OXENHAM: Yes. Very briefly, in
5 response to the gentleman who spoke prior to this
6 gentleman, about Mass. --

7 CHAIRMAN HONIGBERG: From the -- one of
8 the Liberty --

9 REP. OXENHAM: No. The one about what's
10 going on in Massachusetts and other states.

11 CHAIRMAN HONIGBERG: Okay. Uh-huh.

12 REP. OXENHAM: I think we can also look
13 very profitably to New York State, which is developing its
14 REV Program. They're looking at a distributed web system.
15 They're looking at remaking the grid from the ground up to
16 maximize renewables. And, I'm currently working on a bill
17 with the Vermont Law School, which will come into the
18 Legislature in the 2016 Session.

19 But, you know, there are some big issues
20 of how the energy system is going to be transformed over
21 the next five years, battery storage, what Tesla is
22 introducing. There's some very exciting things out there.

23 But I don't think we can drop the ball
24 today on a very specific need for these small businesses

1 and communities that are really being strangled with this
2 cap suddenly closing, as Mr. Below said. It took us 17
3 years to get halfway, and it took us one month for it to
4 close. People weren't able to respond to that.

5 CHAIRMAN HONIGBERG: Is there anyone
6 else who has anything they want to add before the
7 technical session begins?

8 (No verbal response)

9 CHAIRMAN HONIGBERG: Seeing none, thank
10 you. We will leave you to the technical session.

11 **(Whereupon the prehearing conference was**
12 **adjourned at 2:24 p.m., and technical**
13 **session was held immediately**
14 **thereafter.)**