



## CLEAN ENERGY NH

Your Voice in All Energy Matters

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April 8, 2019

Ms. Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 18  
Concord, New Hampshire 03301

Re: Docket No. IR 15-296  
Investigation into Grid Modernization  
Comments on Staff Report of February 12, 2019

Dear Ms. Howland:

We appreciate the opportunity to comment on the NH PUC Staff Recommendations on Grid Modernization report issued on January 31, 2019 (Staff Report) following their consideration of the Grid Modernization Working Group Report from March 2017.

Clean Energy NH (CENH), under its former name as the New Hampshire Sustainable Energy Association, participated in the Grid Modernization Working Group in 2017 and also submitted joint comments on May 19 2017 on the Grid Modernization Working Group report. We hope the Commission will consider these present comments alongside our original comments submitted in May of 2017, as they remain relevant.

### **Summary of Comments**

1. Request for adjudicative process to resolve non-consensus issues.
2. CENH volunteers to facilitate a collaborative "Interconnection Work Group" in partnership with the Commission.
3. Roadmap recommended by Staff too slow; move forward now on Interconnection process, Non-Wires Alternatives, and Locational Value Analyses.
4. Apply lessons from leading states on customer data and customer engagement platforms
5. Expedite Advanced Meter Functionality deployment and utility billing system modernization.
6. Utility business model reform, cost recovery, and incentives should be addressed in adjudicative process.

#### **1. Request for adjudicative process to resolve non-consensus issues**

We commend Staff for their time and effort invested in preparing their recommendations and report on grid modernization. We view grid modernization as critically important and an

immediate need. Current grid infrastructure and utility systems limit implementation of Distributed Energy Resources (DERs) and innovative clean tech applications. As DER and clean technologies continue to become rapidly more affordable, the pressure on the grid and utilities will only grow and accelerate. We find it frustrating that nearly four years after IR 15-296 began an investigation into grid modernization we are still debating some basic and necessary elements to determine a way forward. We therefore hope that the Commission will soon provide a clear, comprehensive, and expeditious process to implement grid modernization in NH.

Page 33 of the 2017 Grid Mod Report lists “Recommended Next Steps for the Commission,” including, “open a docket with testimony and discovery to fully adjudicate the non-consensus and other relevant items.” This recommendation remains relevant and the best path forward.

The Staff Report (Section 6 page 77) describes recommended next steps, which differ significantly from the proposed next steps recommended in Section 7 of the Working Group Report. Staff are recommending a new series of comments, working groups, and studies over a 9-month period while utilities would simultaneously prepare their first Integrated Distribution Plans (IDP). We find it highly unlikely that a consensus would emerge from a working group process for most if not all of the 13 “key aspects” identified by staff or the 12 non-consensus items listed in the 2017 Grid Mod Work Group Report. Furthermore, utilities would take on preparing their IDP plans in parallel with the discretion to integrate as much or as little of the outcome of the working groups and comments.

We stand by the recommendation of the original Working Group Report and agree with the Office of the Consumer Advocate (OCA)’s request for an adjudicative proceeding that would address and resolve non-consensus issues prior to utilities preparing IDP. We think it is necessary for the Commission to provide clarity, guidance, and requirements for IDPs prior to their drafting by the utilities. Resolving these common issues in a single proceeding ahead of IDP development will be much more efficient use of time and resources for the Commission, Staff, Stakeholders, and Utilities rather than delaying adjudicative proceedings to three separate IDP plan review dockets.

## **2. CENH volunteers to facilitate collaborative “Interconnection Work Group” in partnership with the Commission.**

Despite the need to adjudicate non-consensus issues expressed above, there are some areas we feel would benefit from a collaborative process between stakeholders and utilities. Our primary interest is an Interconnection Working Group that would go beyond the Hosting Capacity Analysis proposed by the Staff Report and the Working Group Report. The goals of such a working group would be as described in the table below and the desired outcomes would be to reduce costs for all and reduce wait times and the possibility of “solar coaster” or similar inefficiencies. We think such a process is necessary, because we share the OCA’s stated concern that without adequate stakeholder and technical expert oversight, Hosting Capacity Analysis can be used to restrict rather than facilitate Distributed Energy Resources integration.

Proposed goals and scope of Interconnection Working Group

Overarching Goal	Improve industry/developer and utility collaboration and information sharing to streamline interconnection application and review process and improve site selection for DER.
Policy scope	<ul style="list-style-type: none"> <li>• Interconnection application process</li> <li>• System Impact Study</li> <li>• Queue management</li> <li>• Group studies and cost allocations</li> <li>• Line/substation cost and cost sharing</li> </ul>
Technical scope	<ul style="list-style-type: none"> <li>• Technical Screening Process</li> <li>• Substation backfeeding</li> <li>• Remote monitoring / communications</li> <li>• Anti-islanding</li> <li>• Smart inverter technology</li> </ul>

**3. Roadmap recommended by Staff too slow; move forward on Interconnection Process, Non-Wires Alternatives, and Locational Value Analyses.**

The Staff propose a roadmap to implement functionalities in table ES-4, (page 14 of the Staff Report). According to this table “Interconnection Process” and “Loc. Value Analysis” would begin in year 3 and “DER NWA sourcing” would begin in year 4. Assuming IDPs are submitted in 2020, year 3 would be 2023 and year 4 would be 2024. We find this proposal problematic because we see these as immediate needs and/or work already or imminently underway.

As described above, we think the interconnection process would benefit from a collaborative process immediately. As part of the ongoing net metering docket DE 16-576, the Commission issued an RFP to conduct an analysis of locational value of distributed generation on April 5, 2019. We recommend that the results of this analysis be integrated into grid mod and IDP plans rather than postponing a locational value analysis to 2023. To our knowledge, each of the utilities are already interested in pursuing DER Non Wires Alternatives (NWA) in the immediate future. Liberty Utilities showed interest in an NWA in docket DE 17-189, but that component of the proposal was not included in the final approved pilot. Unitil recently issued a Request for Information to look into the possibility of an NWA project and Eversource representatives have been talking about a planned NWA at recent public forums.

If the Commission’s vision for grid mod is to comprehensively plan and implement grid modernization needs and functionalities, we think it will be necessary to proceed with more urgency than what is proposed in table ES-4. With a slower pace, it is more likely that utilities, stakeholders, and customers will continue making progress through a piecemeal approach when opportunity arises when in fact grid modernization should be the integrating docket to coordinate changes, pilots, and investments proposed in related dockets (Staff Report Table 1).

**4. Apply lessons from leading states on customer data and customer engagement platforms**

We were pleased to see Staff supporting the Working Group Report recommendations on customer data access and sharing. Though staff recommends a working group process to further discuss data needs and best approaches, we think there are existing excellent examples of utility data access frameworks and platforms already developed in other states and a similar concept could be applied in NH without an additional working group process.

**5. Expedite Advanced Meter Functionality deployment and utility billing system modernization**

We agree with staff that utilities with advanced meter functionalities (AMF) should take full advantage of those capabilities and that utilities that do not currently have AMF should make this available as an opt-in option at the customer's expense. We encourage the utilities move to AMF system wide as soon as it becomes cost effective because we view AMF as instrumental to the integration of DERs into the grid.

As recommended in the 2017 Grid Mod Report, "customers should have the ability to choose an opt-in interval meter, including bi-directional meters for distributed generation customers" (page 22). In the event that a customer chooses to invest in his own meter, the customer should be able to access all relevant usage and billing data by interfacing with a modern utility billing system and data sharing platform.

We believe there is an immediate need for modernization of utility billing systems not reflected in the Staff report. It is our understanding that existing utility billing systems are unable to perform, for example, on-bill crediting for group net metering. At a recent legislative hearing on this topic we heard from a utility representative that a requirement to offer on-bill crediting "would be a nightmare" considering the limitations of existing billing systems and the only solution would be time-consuming manual data entry and manipulation. Considering this, we were disappointed to see "billing" in table 3-4 on page 40 on the Staff report as a functionality that should be implemented in the "mid-term 4 to 5 years" category. We suggest that updating and upgrading utility billing system to a modern standard is necessary in the near term to facilitate and fully realize the benefits of customer empowerment, DER integration, AMF, and innovative rate design that should be enabled by a modern grid.

**6. Utility business model reform, cost recovery and incentives should be addressed in adjudicative process.**

The Staff report identifies "Utility cost recovery and performance incentives" as a topic needing further comments/proposals and working group discussion. This is a topic area too important and likely contentious to be resolved by informal comments/proposals or working groups. As noted in the OCA's comments, the utilities have agreed to seek approval of revenue decoupling or other lost revenue recovery mechanism in their first distribution rate case after the end of the first Energy Efficiency Resource Standard triennium plan. Depending on the timing and frequency of rate cases, it could be several years past 2021 before this issue is addressed.

Re-evaluating the utility business model, including revenue decoupling and possibly shifting to pay-for-performance model, is necessary in the context of grid modernization. While the Staff report proposes that we proceed with grid modernization while remaining neutral on industry structure and business models, the current utility business model is rife with financial disincentives and other barriers that conflict with the goals of grid modernization. Therefore, we hope that the Commission would consider a power sector transformation approach to grid modernization and address business models before IDP preparation and review.


We agree with Staff that rate design should be considered when developing IDP. Though we respect that rates should be proposed and approved in the context of rate cases, innovative rate design is a critical instrument that should accompany, guide, and be enabled by grid modernization investments. Therefore, the trajectory of rate design and the grid infrastructure necessary to enable innovative and modern rates should be contemplated prior to developing IDP.

### **Conclusion**

As an organization representing both businesses deploying distributed energy resources and individual and municipal customers seeking to procure those goods and services, we are positioned with a unique perspective on the evolution occurring in the energy sector. Grid modernization has the potential to provide great value both for customers taking advantage of distributed energy resources, and for all ratepayers collectively. What is needed is state leadership that provides a clear way forward that is focused on removing regulatory barriers to innovation and harnessing the full value of a modern electric grid.

Business leaders are looking for a clear and definite commitment from our state to signal the start of real progress on grid modernization necessary to spur investment and innovation in competitive modern energy technologies that will reduce cost while increasing market competition, customer engagement and choice.

Sincerely,



Madeleine Mineau  
Executive Director  
Clean Energy NH

CC: Service List