



For a thriving New England

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VIA EMAIL AND HAND DELIVERY

April 8, 2019

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

RE: Docket No. IR 15-296
Conservation Law Foundation's Comments on Staff's February 12, 2019 Report

Dear Director Howland:

Please find enclosed for filing in the above-referenced matter an original plus seven copies of Conservation Law Foundation's Comments in response to Commission Staff's February 12, 2019 Report. This filing has also been submitted via email to the service list in this docket.

Thank you for your time and attention to this matter. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

Melissa Birchard
Conservation Law Foundation

Encls.

**BEFORE THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. IR 15-296

Investigation into Grid Modernization

**COMMENTS OF CONSERVATION LAW FOUNDATION
ON STAFF'S FEBRUARY 12, 2019 REPORT**

Conservation Law Foundation (CLF) submits these comments in response to Commission Staff's February 12, 2019 Report in Docket IR 15-296, pertaining to grid modernization opportunities in the state of New Hampshire.

CLF is generally supportive of the comments of the Office of the Consumer Advocate, filed today in this docket. In particular, CLF shares the Consumer Advocate's concerns about the procedural recommendations that Staff have laid out. For these reasons, CLF submits only brief additional comments at this time.

Procedure

On April 1, 2016, the Commission issued an order initiating a stakeholder working group to consider Grid Modernization opportunities in New Hampshire and to identify areas of consensus and non-consensus among key stakeholders. In that order, the commission enumerated benefits and goals of modernizing the utility system and set forth a list of topics of inquiry for the stakeholder group. Among important lines of inquiry that the Commission identified at that time were: what role third party service providers should take; how to improve the integration of distributed energy resources to enhance the benefits of those resources to the electric system; how to collect, protect, and make available necessary system and customer data; and effective methods to incent desired utility behavior to better serve customers in the context of a modern electric system.

After months of in-person meetings, numerous sub-committee phone conferences, and the frequent exchange of data, presentations, and drafts by email, on March 20, 2017, the stakeholders filed a report that addressed the Commission's enumerated lines of inquiry and other related issues. The report and its appendices contain both data concerning existing capabilities and resources, and specific consensus and non-consensus positions of the stakeholders on subjects related to the Commission's specified lines of inquiry.

Included in the report at Section 7 was a set of procedural recommendations, which included a recommendation that the Commission provide a comment period of 30-60 days for further input on the stakeholder report, potentially including comments from Commission Staff, working group members, or stakeholders who did not participate in the working group. Section 7 of the working group report asked the Commission to "open a docket with testimony and discovery to fully adjudicate the non-consensus and other relevant items." Section 7 then went

on to enumerate in greater detail items that required adjudication “before the utilities file GMPs,” including “non-consensus issues” and “gaps identified” (e.g., DER, to be discussed later). Section 7 also asked the Commission to: provide “guidance on integration of grid modernization with other related dockets” such as net metering and energy efficiency; clarify the relationship between Grid Modernization filings and IRP filings; and “[d]elineate a stakeholder input process.” (Stakeholder Report at 32.)

Following receipt of the Stakeholder Report, and consistent with the procedural recommendations in Section 7, the Commission provided a comment opportunity. Accordingly, in May 2017, the Commission received 7 sets of comments, including one set of joint comments from four organizations (for a total of 10 commenters, including one utility). Although present at all Working Group meetings and included in e-mails and other communications among the stakeholders, Commission Staff elected not to file comments at that time.

The Staff Report comes two years after the Stakeholder Report, but in some respects appears to start from scratch, particularly as to procedural matters. Whereas the Working Group urged the Commission to open a docket to adjudicate non-consensus and other key issues prior to directing the utilities to develop grid modernization plans, the Staff Report includes no such recommendation. We appreciate that Staff may be concerned to expedite the process now that three years have passed since the Commission opened its investigation, and two years have passed since the Stakeholder Report was filed on March 20, 2017, while New Hampshire ratepayers continue to miss out on important aspects of a modernized utility system. CLF shares this concern.

Despite the time that it requires, adjudication is a necessary step that will ensure a coherent set of outcomes that satisfies the interests of ratepayers and market participants. New Hampshire has the opportunity to improve on and learn from mistakes certain other jurisdictions have made, where Grid Modernization has on occasion become a dance of one step forward and two steps backward. An adjudicative proceeding will protect the rights of all parties, and perhaps most importantly, this proceeding and the order that is ultimately issued will provide a clear path forward rather than a set of mixed messages that the utilities will have difficulty responding to. Failing to iron out differences and provide clear advance guidance will inevitably result in three separate contentious Grid Modernization dockets at the back-end. This approach would be both inefficient and ineffective. We strongly recommend that the Commission commence a single adjudicative docket to encourage the advance settlement of issues and provide clear signals to all parties including the utilities.

Clear regulatory signals are particularly critical when the subject matter is at base – as it is here - the question of how utilities, third parties, and customers should interact going forward.

As for the scope of adjudication, CLF’s comments on May 19, 2017 made a set of recommendations concerning scope. In addition to those subjects enumerated in the Stakeholder Report, CLF identified several outstanding issues for adjudication:

1. the reconciliation of LCIRP and Grid Mod planning;

2. the integration of distributed energy resources, which was not addressed in the working group in deference to a parallel docket on net metering;
3. utility incentives and reforms;
4. performance metrics; and
5. specific opportunities for stakeholder participation.

(See Comments at 2-3.) CLF reiterates these recommendations here.

Other Comments

Consumer Protection and the Consumer Advisory Committee: CLF supports the comments of the OCA and Acadia Center on these subjects and reiterates the recommendation of the Stakeholder Report that a consumer advisory committee be formed.

Remote Disconnection: CLF supports the comments of the City of Lebanon and Acadia Center with respect to remote disconnection. In particular, any remote disconnection should include consumer protections.

Cost Benefit Analysis and Cost Recovery: CLF supports the comments of Acadia Center on these subjects. CLF agrees with the OCA that investment prudence will protect ratepayers, but proposes that the gradual transformation of the grid, done right, will advance the interests of ratepayers and state policy, including by reducing overall costs, protecting public health and the environment, and enhancing customer options and third-party innovation.

Performance Incentives: CLF supports the comments of Acadia Center on this subject and is generally supportive of Staff's trajectory with respect to providing performance-based incentives.

Cost Trackers: CLF recognizes that the OCA's position on cost trackers appears to be more skeptical of ratepayer benefit than other parties'. However, if an adjudicative proceeding is opened, CLF is optimistic that a compromise can be reached among the parties on this subject.

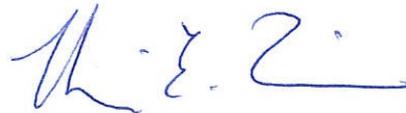
Data Access: CLF agrees with the OCA's emphasis on data access, subject to consumer protections. Data access lies at the very heart of grid modernization. Modern markets and services revolve around data, yet there is little or no incentive in the traditional regulatory regime for utilities to collect and provide access to the data necessary to enhance customer options and expand third party services. This is a central issue for adjudication and is not adequately addressed in the Staff Report or the Staff's recommended process. Without addressing this in advance, and subject to current incentives, any utility-proposed grid modernization plans are highly unlikely to be adequate as to the collection and provision of data.

Timing: CLF agrees with the OCA that Staff's proposal does not allow enough time for the development of grid modernization plans. The proposal to convene multiple working groups concurrent with the development of those plans is not a reasonable one and threatens to make the working groups a meaningless exercise (as does the absence of adjudication).

Conclusion

CLF appreciates the opportunity to submit comments on the February 12, 2019 Staff Report. We urge the Commission to favorably address the recommendation of stakeholders, including in the March 20, 2017 Stakeholder Report, in comments submitted in May 2017, and in the comments the Commission will receive today, to issue an order that directs the commencement of an adjudicative proceeding. The same concerns that animated the stakeholders' request for adjudication in March 2017 persist today. Resolving issues in advance and establishing clear parameters for grid modernization efforts before plans are developed will ultimately benefit ratepayers and the state, while saving time on the back-end.

Respectfully submitted,



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Dated: April 8, 2019

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments has on this 8th day of April 2019 been sent by email to the service list in Docket No. IR 15-296.



Melissa E. Birchard
Conservation Law Foundation