

1                                   **STATE OF NEW HAMPSHIRE**  
2                                   **PUBLIC UTILITIES COMMISSION**

3  
4   **October 31, 2019 - 9:11 a.m.**  
5   Concord, New Hampshire

NHPUC 15NOV19PM2:51

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7           **RE: DRM 19-158**  
8           **RULEMAKING: New Hampshire Code of**  
9           **Administrative Rules Chapter Puc 900**  
10           **Net Metering for Customer-Owned**  
11           **Renewable Energy Generation Resources**  
12           **of 1,000 Kilowatts or Less.**  
13           **(Hearing to receive public comment)**

14  
15  
16           **PRESENT:**   Cmsr. Kathryn M. Bailey, Presiding  
17                           Cmsr. Michael S. Giaimo

18  
19                           Doreen Borden, Clerk

20  
21           **APPEARANCES:**   *(No appearances taken)*

22  
23           Court Reporter:   Steven E. Patnaude, LCR No. 52  
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**CERTIFIED  
ORIGINAL TRANSCRIPT**

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**P R O C E E D I N G**

1  
2 CMSR. BAILEY: Good morning. We're  
3 here today in Docket Number DRM 19-158, which  
4 is a rulemaking proceeding regarding the Puc  
5 900 net metering rules. Those rules establish  
6 reasonable interconnection requirements for  
7 safety, reliability, and power quality for net  
8 energy metering, and set forth the procedures  
9 and conditions for net energy metering by  
10 customer-generators with distributed  
11 generation. The rules also cover group net  
12 metering by customer-generators.

13 This is a readoption of the 900  
14 rules, with amendments. Today, we're here for  
15 a public comment hearing. We will also take  
16 written comments through November 8th. I'm  
17 going to give each person who's signed up an  
18 opportunity to speak, and then, at the end,  
19 I'll ask if anybody else has something they  
20 want to talk about, and then we'll finish up.

21 But, before we start that, I'd like  
22 to ask Attorney Wiesner to give us a little bit  
23 of a summary about the changes that these rules  
24 are going to make.

1 MR. WIESNER: Thank you, Commissioner  
2 Bailey.

3 The Initial Proposal that was filed  
4 last month and is the subject of today's public  
5 comment hearing was primarily intended to  
6 update the existing Puc 900 net metering rules  
7 to reflect recent statutory changes and orders  
8 of the PUC, going back to 2017, which adopted  
9 an alternative net metering tariff, as directed  
10 by legislation that was passed in 2016.

11 So, we are primarily trying to catch  
12 up the rules to the events that have occurred  
13 over the past several years, and reflect both  
14 the alternative net metering tariff as the  
15 current version of net metering, as well as  
16 preserving the standard net metering tariff  
17 provisions for those facilities which are  
18 grandfathered per the legislation passed by the  
19 General Court in 2016.

20 I will note that the current version  
21 of the Initial Proposal that we'll be talking  
22 about today does not reflect changes due to  
23 some very recent legislation that passed this  
24 summer, Senate Bill 165, which provides for an

1 additional level of compensation for  
2 low-moderate income community solar projects,  
3 and also provides an option for group net  
4 metering hosts to elect on-bill crediting,  
5 rather than cash payments from the utility.

6 We are working on further changes  
7 that would implement that legislation. We have  
8 had two technical sessions so far with  
9 stakeholders. And we scheduled another one to  
10 follow immediately after this hearing. Because  
11 we had everyone in the room, it seemed like a  
12 good time to do it. We are working towards  
13 rules language that would implement that  
14 legislation. And we intend to address that,  
15 those further changes, in a draft final  
16 proposal that would be filed in the docket, and  
17 have further public comment probably sometime  
18 in January. So, a further public comment  
19 hearing on those additional changes, as well as  
20 any changes that reflect the comments that are  
21 received today and next week in writing.

22 And, then, that draft final proposal,  
23 as I said, would be subject to further public  
24 comment, before a final proposal is adopted by

1 the Commission. And we need to do that by mid  
2 February, in order to stay on track with the  
3 rulemaking schedule. And then, that final  
4 proposal, as adopted by the Commission, it  
5 would go to the Joint Legislative Committee on  
6 Administrative Rules and be subject to further  
7 process before that Committee at the  
8 Legislature.

9 CMSR. BAILEY: All right. Thank you.  
10 We only have four people signed up to speak.  
11 So, I'm going to tell you who you are, and then  
12 I'll take you in the order as listed, and then  
13 I'll check and see if anybody else wants to  
14 speak.

15 So, first up will be Matthew Fossum;  
16 second would be Pentti Aalto; third, Christa  
17 Shute; and then, finally, Patrick Taylor.

18 Mr. Fossum.

19 MR. FOSSUM: Well, all right then. I  
20 guess I'll bat leadoff.

21 Good morning, and thank you for  
22 taking our comments this morning. I am here --  
23 for the record, my name is Matthew Fossum. I'm  
24 here on behalf of Public Service Company of New

1 Hampshire, doing business as Eversource Energy.

2 We do have a few small items on the  
3 rules, minor wording changes and typographical  
4 issues that we would reserve for the written  
5 comments. So, for today, I'm going to restrict  
6 my comments to just two items.

7 The first is in the "Definitions"  
8 section, in what is now numbered as "Puc  
9 902.04", on Page 2. And that is the definition  
10 of "customer-generator". The definition there  
11 begins by stating that the term is the same as  
12 the term where it's defined in statute, and  
13 specifically RSA 362-A:1-a, II-b, and then it  
14 goes on to quote the definition that's provided  
15 in the law.

16 The definition, however, then goes a  
17 bit further, and it says that "the customer's  
18 own electricity requirements...includes  
19 electricity consumed" by the facility itself.

20 Now, you know, this is not a new  
21 issue in the rules generally speaking, but it  
22 is new within this definition. And, if this  
23 definition is meant to track the terms of the  
24 statute specifically, it seems to do so,

1 especially since, at least by our reading, it's  
2 not clear that this statute was intended to  
3 allow such facilities to net meter.

4 That said, we note it's not a new  
5 issue in the rules, but, with the addition to  
6 the -- the addition to the definition, it  
7 seemed worth noting.

8 The only other issue I'll raise this  
9 morning is in what is numbered "Puc 903.02(k)",  
10 which is on Page 9 of the Initial Proposal. It  
11 appears in this section to us that there's what  
12 we would consider to be a material omission in  
13 the rule. In the preceding rule, Puc  
14 903.02(j), and in particular (j)(4)a and b, it  
15 describes how the calculation of the deficit or  
16 surplus is to be done by the utility. But that  
17 rule is limited to customers "subject to the  
18 standard net metering tariff". 903.02(k)  
19 applies to customers "subject to the  
20 alternative net metering tariff", and doesn't  
21 have language like that included in Part (j).

22 Eversource believes that Part (k)  
23 needs to be amended to add the identical  
24 language from Part (j) into (k), to have a more



1 complete description of how billing and  
2 calculation will occur.

3 So, that's the total of my comments  
4 for this morning. As I've noted, we will  
5 follow up in writing. And, as Mr. Wiesner had  
6 noted, we're looking forward to following up on  
7 the other issues that have been sort of  
8 reserved for the next round of the rulemaking  
9 in this docket.

10 CMSR. BAILEY: All right. Thank you.  
11 Mr. Aalto.

12 MR. AALTO: Thank you for the  
13 opportunity to speak. My name is Pentti Aalto.  
14 I'm representing myself. I'd like to respond  
15 from a sense of perspective on a broad level,  
16 as opposed to the narrower issues that were  
17 just raised.

18 And that is to propose that we  
19 maintain a point-of-view here that net metering  
20 is not a subsidy. While solar and other types  
21 of generation that receives substantial  
22 subsidies, net metering is not one of them.  
23 Net metering is access to market at the local  
24 level. It does, in effect, compete directly

1 with the wires service.

2 If a kilowatt-hour is saved, the  
3 utility doesn't get paid for the transmission  
4 services, substation costs, and anything else  
5 that is deferred. If I generate a  
6 kilowatt-hour and put it on the grid, my  
7 downstream neighbor uses it, and pays the  
8 utility full price for services that it did not  
9 provide. That is to say, all of those services  
10 starting with acquiring the generation,  
11 transmission, and distribution services to my  
12 neighborhood.

13 We can certainly discuss the issues  
14 of using the wire to transfer from one point to  
15 another, but that is not the same as  
16 transferring power from Canada, or someplace  
17 else, to my location.

18 That doesn't mean that we don't have  
19 a problem. The problem is is that we have a  
20 system that has not properly integrated local  
21 generation or, for that matter, efficiency in a  
22 way that optimizes the system. The effect of  
23 that is that we have overcapacity in almost all  
24 parts of our system. And, from a market

1 perspective, that says that's of no value.

2 And, if we're looking at avoided cost type of  
3 analysis, then the implication is that there's  
4 nothing we can do about it, whatever the  
5 qualities are of the competing resource.

6 What I would propose is is a way of  
7 dealing with the issue that is real is that we  
8 try to figure out how to incorporate the new  
9 electrification that is coming in such a way  
10 that it does not add to the cost of the  
11 distribution system. That way, we will not see  
12 the rises in the prices or the reduced revenue  
13 for -- to meet the same fixed costs.

14 To summarize, we should keep in mind  
15 that, under the alternative net metering  
16 tariffs that are established, we are, in fact,  
17 subsidizing the utility. We're paying them for  
18 services they do not provide. Where we don't  
19 do that, when we have the same effect from  
20 efficiency improvements. That's certainly  
21 something that is well within our -- the  
22 purview of this Commission. It can choose to  
23 subsidize, if that's where it wants to go.

24 I would think that, in the future, we

1           may want to readdress those issues, and ask if  
2           there's -- if this is the appropriate way to  
3           provide the subsidies that the utility may need  
4           going forward.

5                         Thank you very much. And I would  
6           accept any questions, if there are any. Thank  
7           you.

8                         CMSR. BAILEY: Thank you, Mr. Aalto.  
9           Ms. Shute.

10                        MS. SHUTE: Thank you, Commissioners.  
11           My name is Christa Shute. I am here on behalf  
12           of the Office of the Consumer Advocate, which  
13           represents New Hampshire residential  
14           ratepayers.

15                        We also have a couple of minor  
16           comments that we'll put in writing, and one  
17           substantive comment, and one response.

18                        In response to Mr. Fossum's comment  
19           around the definition of "customer-generator",  
20           we would just note that the -- that there has  
21           been a definitive inclusion of group net  
22           metering, and the contemplation of group net  
23           metering really necessitates the addition of  
24           the last line to include "the electricity

1 consumed in conjunction with or to operate the  
2 facility." Without that, it is very difficult  
3 for community solar to go into place as group  
4 net metering.

5 The second point that I'd like to  
6 bring to the Commission's attention is on Puc  
7 909.08, "Duties of the Distribution Utility",  
8 in section -- new Subsection (e). It is a --  
9 it is very confusing to the public the issue of  
10 competitive supplier participation. And we  
11 believe that it could be facilitated in this  
12 paragraph to help that confusion, at the middle  
13 of the second line, adding in "from the  
14 distribution utility". So, "For hosts that are  
15 small customer-generators subject to the  
16 alternative net metering tariff that do not  
17 receive default service from the distribution  
18 utility, the payments", and with the addition  
19 "*from the distribution utility* for net excess  
20 electricity exported to the distribution system  
21 shall be calculated based on 25 percent of any  
22 distribution charges assessed on a  
23 per-kilowatt-hour basis and any transmission  
24 charges assessed on a per-kilowatt-hour basis."

1           We'd also note that, while this is  
2           the duties of the distribution utility, in the  
3           interest of assisting with the potential  
4           confusion, that the line also add that "It is  
5           not the responsibility of the distribution  
6           utility to pay for energy costs, but the  
7           responsibility of the small customer-generator  
8           host to negotiate that price with the  
9           competitive supplier."

10           So, we believe these additions will  
11           help make it more clear to these small  
12           customer-generators, which tend to be less  
13           sophisticated than the larger  
14           customer-generators in net metering.

15           Those are our comments for today.  
16           Thank you.

17           CMSR. BAILEY: Thank you.  
18           Mr. Taylor.

19           MR. TAYLOR: Good morning. I did  
20           sign up, but I'm actually going to waive  
21           comments on the record today, and the Company  
22           is going to reserve its comments for the  
23           written portion, and any other opportunity that  
24           we have in the future to provide comments.

1                   Thanks.

2                   CMSR. BAILEY: Okay. Anybody else  
3                   have anything they'd like to add?

4                                 *[No verbal response.]*

5                   CMSR. BAILEY: All right. Then, we  
6                   will adjourn the hearing, leave you to your  
7                   technical session to talk about amendments that  
8                   need to be made to address SB 165.

9                                 And thank you for your comments. We  
10                   are adjourned.

11   ***(Whereupon the hearing was***  
12   ***adjourned at 9:26 a.m.)***

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