STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DE 22-060

ELECTRIC DISTRIBUTION UTILITIES

Consideration of Changes to the Current Net Metering Tariff Structure, Including Compensation of Customer-Generators

Prehearing Order

On April 11, 2024, the Commission held a prehearing conference in this matter pursuant to New Hampshire Code of Administrative Rules, Puc 203.15, which was attended by: Public Service Company of New Hampshire d/b/a Eversource Energy; Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty; Unitil Energy Systems, Inc.; the New Hampshire Department of Energy (DOE); the Office of the Consumer Advocate (OCA); Conservation Law Foundation; Clean Energy New Hampshire; Granite State Hydropower Association; Standard Power of America; the Community Power Coalition of New Hampshire (CPCNH); and Mr. Penti Alto, who participated as a member of the public. During the prehearing conference, the Commission addressed matters that included the following:

I. <u>Settlement & Deadline</u>

At the prehearing conference, the parties indicated that, except for the DOE and CPCNH, the remaining parties (Settling Parties) were close to reaching a settlement. The DOE and CPCNH indicated that they did not intend to join any settlement because the negotiations between the parties had revealed disagreements on key issues. The DOE and CPCNH represented that they intend to present witnesses at hearing who will explain which aspects of the settlement their respective organizations agree and disagree with.

For their part, the Settling Parties requested that the Commission set a deadline for the parties to file a settlement. In response to that request, the Commission sets a deadline of May 31, 2024, for the parties to file any settlement in this docket.

Finally, the OCA expressed concern about the DOE not joining the pending settlement agreement and asked the Commission to consider appointing a mediator from among its staff to facilitate a settlement between the parties. The DOE objected to this proposal. The Commission **DENIES** this request for two reasons. First, the OCA did not cite any authority that would allow the Commission to appoint mediators in settlement negotiations. Second, the Commission trusts that the parties are capable of engaging in good faith settlement discussions without participation from the Commission. Accordingly, the OCA's request is **DENIED**.

II. Requests to Intervene

At the hearing, Mr. Penti Alto sought to intervene in this docket. The Commission **DENIES** Mr. Alto's request for two reasons. Most importantly, the Commission opened this docket on September 20, 2022 and stated that all individuals interested in intervening had to do so by December 7, 2022. It is now almost eighteen months after that deadline passed. In addition, granting intervention could potentially prejudice the existing parties because, as the Settling Parties indicated at the prehearing conference, they are close to reaching a settlement agreement after almost two years of work and adding new parties at this stage of the proceeding could delay negotiations. For these reasons, the Commission **DENIES** the motion to intervene. However, Mr. Alto is encouraged to participate in this docket as a member of the public, including at the final hearing.

III. Record Requests

During the prehearing conference, the Commission noted that in order to approve any settlement, it would need to ensure that any resulting rates were just and reasonable pursuant to the Commission's statutory obligations. The Commission further noted that it would provide a list of questions and issues to the parties that it considered important to the determination that the proposed net metering rates are just and reasonable. Because these questions ask the parties to provide information and data, the Commission issues them in the form of record requests.

The Commission requests that the Settling Parties provide answers to these record requests by <u>June 14</u>, <u>2024</u>. Any non-settling parties may also file answers to the record requests by <u>June 14</u>, <u>2024</u>. Any party may file responses to the initial record request answers by <u>June 28</u>, <u>2024</u>.

The record requests are as follows:

- A. Based on publicly available data, how does the current New Hampshire net metering tariff compare to those in other states?
 - a. Summarize California's current net metering tariff and how much, as a percent, the tariff covers of generation, distribution, and transmission. Also summarize how the generation cost is determined (wholesale price or retail price; if retail, how the price is calculated).
 - b. Summarize each New England state's net metering tariff and how much, as a percent, each tariff covers generation, distribution, and transmission. Also summarize how the generation cost is determined (wholesale price or retail price; if retail, how is the price determined)
 - c. Provide the same data as (b) for Illinois, Florida, Texas, Missouri and any other states the parties would want to include.
- B. For the same states used in (A), summarize how their avoided cost studies align with their current tariffs and whether their tariffs are locational or cover the whole state.
- C. Have any states factored locational marginal pricing into their net metering tariffs?
- D. In the New Hampshire VDER study, what percentage of the value generated accrues to the customer generator and what percentage flows to (non-customer generator) ratepayers?

- E. Would any cross subsidization between customer generators and (non-customer generator) ratepayers be appropriate and acceptable?
- F. How do the prior studies completed in dockets related to net-metering support the parties' positions in this docket?
- G. Is the utility default service rate the appropriate rate to compensate generation for net metering parties? If so, why?
- H. How does the avoided cost analysis in the VDER study support each party's position on the appropriate compensation mechanism in the net metering tariff?
- I. If the majority of the energy supply in New Hampshire is supplied through Community Aggregation, will customers on either the incumbent utility's default service or third-party supply be subsidizing Community Aggregation?
- J. Is the compensation for customer generators different than municipal hosts or merchant power generators? If so, explain the differences.
- K. For Community Aggregation customers participating in net metering, please describe the dollar flow from the incumbent distribution utility to a net metering customer over a month when i) that customer consumes more than it produces; and ii) when the customer produces more than what it consumes. Please provide specific examples to illustrate the differences.
- L. Consider a customer generator that is part of group net metering, and the group consumes more electricity than it produces over a month. Compare how that generator is compensated relative to a customer that is not part of group net metering. Assume that the generator has the same production in both situations.
- M. If the response to (J) is in the affirmative, please discuss how the responses to (K) and (L) will change.
- N. Why would the net metering tariff be different for sub 100kW generators, 100kW-1MW generators, and 1-5MW generators?
- O. Summarize the most expensive to least expensive sources of energy for new construction in New Hampshire. In light of this summary, explain whether any incentives are needed for solar power in New Hampshire. If incentives are needed, explain why.
- P. Calculate the Net Present Value for solar generators (participants) and nonparticipants using the proposed net metering tariff. Include any assumptions made in calculating the Net Present Value.

IV. Final Hearing Date(s) and Amount of Time Required

At the prehearing conference, the parties represented that the hearing would take two days. They further represented that they would confer and recommend two days for a hearing in late July or early August. The Commission requests that these two dates occur on a Tuesday and a Thursday of the same week. The Commission directs the parties to file their recommended hearing dates by May 10, 2024.

V. Remote Participation

At the conference, Eversource requested blanket permission for the parties to present their witnesses remotely. The Commission denied blanket permission for remote participation and indicated that requests would be considered on a case-bycase basis. As a reminder, all requests for remote participation must be made in accordance with the Commencement of Adjudicative Proceedings and Hearing Guidelines issued on September 20, 2022.

So ordered, this twenty-fourth day of April, 2024.

Chairman

Commissioner

Commissioner

Service List - Docket Related

Docket#: 22-060

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