THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

REBUTTAL TESTIMONY OF

David P. Littell on behalf of
Clean Energy New Hampshire

in response to
Community Power Coalition of New Hampshire's Testimony

CONSIDERATION OF CHANGES TO THE
CURRENT NET METERING TARIFF STRUCTURE,
INCLUDING COMPENSATION OF CUSTOMER-GENERATORS

Docket No. DE 22-060

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I. INTRODUCTION.

Q. What is your name, business, address, position, and work?

A. My name is David Littell. My business address is 100 Middle Street, West Tower, 6th Floor, Portland, Maine 04101. I am a shareholder in Bernstein, Shur, Sawyer, & Nelson where I work on utility, energy, and regulatory matters for utilities, energy companies, buyers and sellers of energy projects, municipalities, competitive electricity providers, state commissions, consumer advocates, and non-governmental entities.

Q. Have you previously submitted testimony in this Docket?

A. Yes, On December 6, 2023, I submitted direct testimony on behalf of Clean Energy New Hampshire ("CENH"). My qualifications, experience, and qualifications are described in the *curriculum vitae*, **Attachment DPL-1** to my direct testimony.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of this rebuttal testimony is to respond as a policy expert to the testimony of Clifton Below on behalf of the Community Power Coalition of New Hampshire ("CPCNH"). In this rebuttal testimony, I reply to the CPCNH testimony, for projects, greater than 100 kW up to 1 megawatt ("MW") and for municipal host projects between 1 MW and 5 MW in capacity.

II. OVERVIEW OF CPCNH'S TESTIMONY AND THIS REPLY TESTIMONY.

Q. Can you briefly summarize the CPCNH's testimony?

A. I am a bit reluctant to fully characterize Clifton Below's entire testimony on behalf of CPCNH. There is tremendous detail, multiple concepts and specific mechanisms suggested in the CPCNH testimony.

Speaking generally, it appears that CPCNH has a comprehensive vision for a better utility system that will work to enable distributed resources by allowing net metering through Community Power Aggregations ("CPA") providing default service. CPCNH's proposal is a set

of different mechanisms to enable it to effectively create a market mechanism for CPAs to use Distributed Energy Resources ("DER") to reduce transmission charges assessed to utilities.

Q. What do you understand to be CPCNH's interest in this docket?

A. Again, I am reluctant to speak for CPCNH or characterize their testimony. There are multiple interests expressed in the CPCNH testimony. I would note that, among those interests, CPCNH has an interest in facilitating the ability of its member municipalities and their municipal aggregations acting as CPAs in also acting as municipal hosts. Under R.S.A. 362-A:1-a, II-b, a customer generator can offset its electricity requirements of a CPA group with a generator of capacity greater than 1 MW and less than 5 MW.

Q. What aspects do you specifically wish to address in this rebuttal testimony?

A. I wish to address the specific approach that CPCNH puts forward for Net Energy Metering ("NEM") for generation greater than 1 MW and less than 5 MW.

Q. Is there anything else you wish to specifically address in this rebuttal testimony?

A. Yes, I will address the forms of transmission service charge offset and distribution service charge offset that CPCNH proposes.

III. CENH REPLY TO CPCNH NEM 3.0 PROPOSAL FOR CUSTOMER-GENERATORS GREATER THAN 100 kW UP TO 1 MW.

Q. Do you agree with the CPCNH NEM 3.0 proposal for customer-generators greater than 100 and up to 1 MW?

A. I am not entirely clear on the CPCNH NEM 3.0 proposal for customer-generators greater than 100 and up to 1 MW that do not have interval metering. The CPCNH testimony addresses this on page 22 of 32, lines 9 through 17:

> Yes, those customer-generators should not be disadvantaged because the distribution utility has not provided them with interval metering. Using the best reasonably available data for estimating hourly production by such DG, an estimated average benefit from avoided transmission cost should be calculated annually and adjusted along with the annual adjustment of transmission charges.

> For the 10 different production profiles I analyzed, the value per kWh of avoided transmission costs all generally aligned in the range of 0.95¢/kWh to 1.75¢/kWh with many around 1.5 to 1.6¢/kWh, which is roughly one half of current transmission charges per kWh that range from 2.17¢ (Liberty G-2) and 2.28¢ (Liberty G-3) to 2.965¢ for Eversource Rate R, Standard Residential Service, and 3.09¢ for Unitil (all rate classes) and to 3.334¢ for Liberty Rate D.

Based on this entry, I think CPCNH is proposing three different transmission credits for each utility. These credits would vary by utility.

I agree to the extent of the suggestion that there should be transmission credit for customer generators greater than 100 kW and up to 1 MW that do not have interval metering.

Q. Do you partially disagree?

A. Again, I'm not entirely sure what the CPCNH proposal is. The CENH proposal for customer-generators greater than 100 kW and up to 1 MW is half of the transmission rate as a NEM credit. That generally aligns with the values presented by CPCNH, so it is consistent. That said, we have proposed a simple credit across the utilities that is consistent and is set at half the transmission charges on an average of the Regional Network Service ("RNS") rate applied by the three New Hampshire investor-owned utilities. It would not vary by utility. So it is consistent directly with the CPCNH proposal to provide a transmission credit for customer-generators greater than 100 kW and up to 1 MW, but appears to be a different proposal than that offered by CPCNH.

Q. Do you still prefer the CENH proposal?

A. Yes. While directionally consistent with the CPCNH calculations and analysis – and consistent with the Dunsky modeling for value of transmission from Distributed Energy Resources – we prefer the CENH proposal.

Q. Why?

A. Setting a transmission credit at half the transmission charge based on a statewide RNS is simple to set up and simple to administer. Half of the statewide transmission value is also a lot easier to explain and present to customers and the public, which is why we prefer it.

Q. Why do you think it is complicated to use the CPCNH proposal?

A. I will use the capacity calculation as an example. We agree with CPCNH that there are savings driven by likely reductions in the net coincident peak. Settling those based on individual customer-generators based on metering data for customers with interval meters requires new utility processes, new data management systems, new billing and crediting processes and mechanisms. As the utilities update their systems, more innovative price signals can be deployed to encourage DER deployment that is aligned with time-varying system needs and rates, but in the interim, a simpler approach might be preferable. For those reasons, we have attempted to propose NEM credit mechanisms that fit within current NEM frameworks.

Q. Do you disagree with the CPCNH proposals for transmission or capacity credit?

A. I agree on a conceptual level. CPCNH is directionally correct and our proposals are consistent in my view. CENH has proposed crediting mechanisms within the current NEM framework without requiring new utility systems, processes, expenditures, and billing formats.

IV. CENH REBUTTAL ON MUNICIPAL HOST NEM FOR GENERATION BETWEEN 1 MW AND 5 MW IN CAPACITY.

Q. What do you understand the CPCNH proposal for larger municipal host NEM to be?

A. As I understand the CPCNH proposal, it would do a retroactive actual calculation on transmission charges avoided to calculate an exact figure based on actual generation during hours of the coincident transmission peak. There would then be a payment for avoided transmission RNS costs. This approach attempts to capture the transmission RNS value that Unitil presented for its Kingston solar project in a construct that works for passing value to a CPA.

Q. Do you support this proposal?

A. I think the proposal may work for some of the municipal hosts. I think it's also directionally correct. On the other hand, I am concerned about the complexity of administration and the after-the-fact payment, which will be hard to track back for small NEM customers (who I do not

think CPCNH intends to capture here). I am also not sure about the utility system's ability to accommodate this type of after-the-fact calculation, the refund of transmission amounts paid and I believe it is likely to come at a nontrivial ratepayer cost for the new process, new systems, and likely manual efforts and adjustments. The utilities are likely to need new investments in the medium term for many other reasons, as the number of DERs and AMI metering assets on their system grows and as the Commission considers future utility modernization initiatives.

Q. What actual amounts do you understand CPCNH thinks the transmission credit to customer-generators is worth?

A. CPCNH presents testimony on the value from its analysis of two and a half years of hourly export data of 209 customer-generators in the Eversource territory as reflected on pages 16 and 17 of its testimony. CPCNH calculated the actual avoided RNS charge (the ISO-New England charge for regional transmission) at 1.67 cents/kWh. I have not confirmed the accuracy of those calculations.

Q. While you have not checked the calculation, is there anything about the CPCNH calculation that jumps out at you?

A. Yes, that figure is roughly half the RNS we see in New England and New Hampshire. It also lines up almost exactly with the Dunksy Study value of transmission.

Q. What would be your preferential transmission credit?

A. For municipal host systems between 1 MW and 5 MW, I would use the CPCNH calculation together with the Dunsky calculation, which are strikingly similar, to propose a 50 percent credit for the transmission rate. That simple, easier to administer credit would be based on an annual average of the transmission rate divided in half. It could be reset annually.

Q. Is this similar to your proposal for NEM systems of greater than 100 kW to 1 MW?

A. The transmission credit is the same as proposed for NEM systems of greater than 100 kW

to 1 MW by CENH; however, CENH also proposed a 50 percent distribution credit for systems of greater than 100 kW to 1 MW. We are not proposing such a distribution credit for larger municipal host systems.

Q. Are you open to a discussion of a distribution credit for larger municipal host systems?

A. Yes, particularly if there are strong concerns with allowing a transmission credit. A distribution credit is an alternative.

Q. Why do you prefer a per kWh transmission credit?

A. Again, it's simple. It does not require extensive data collection, analysis, billing refund or credit mechanisms that will vary, perhaps, by customer. All customers pay for updating utility processes and systems and the manual effort to do such calculations.

Q. Do you think the data analyzed by CPCNH is valuable?

A. Yes, it tends to confirm the validity of the Dunsky modeling and Tom Beach's modeling.

Q. Do you think continuing to collect such data will inform continued discussions on the value of distributed resources and/or NEM?

A. Yes, I believe that continuing to collect such data will be valuable if there is a decision made to continue to collect data by the Commission in this Docket. A data collection discussion should focus on the data and the methodologies to maintain, report, and present it in a useful form to the Commission, the Department of Energy, the Office of Consumer Counsel (the "OCA"), and other interested stakeholders who may qualify for access. Cost, feasibility, and ease of administration should also be part of that discussion. So far, the record is not well developed on future data collection, cost, feasibility, and administration though both CPCNH and the OCA make recommendations in that regard.

V. OTHER ISSUES.

Q. Are there other rebuttal issues with the CPCNH testimony?

A. Yes, on the issue of grandfathering, CPCNH puts forward a proposal summarized on page 9 of 32, lines 19-26 of their testimony.

Q. You do not agree with the grandfathering proposal by CPCNH?

A. No, not entirely. There is overlap in the CENH proposal for a 20-year grandfathering period and what CPCNH proposes, but there are areas where they do not meet.

Q. What specifically would you disagree with?

A. Continuing to have a program cutoff for NEM 3.0 in "at least 12/31/45" is too limited in my view. It is unlikely that a new proceeding to revisit the NEM program will be completed prior to 2026. Generally, twenty years of stable revenue is necessary to finance new distributed resource projects. The CENH proposal recognizes this by asking for a rolling period of 20-years starting from either: i) the date an NEM facility is energized for a new facility developed to participate in the NEM program, or ii) the date of initial NEM program participation occurs for existing resources allowed to enter the NEM program after it is developed.

Q. Is there anything else you disagree with CPCNH's testimony?

A. Yes, two items. First, I would not remove the renewable portfolio standard ("RPS") component from the default energy compensation portion. I understand the point that CPCNH is making, but think that the rate design principle of simplicity and customer understanding mitigated against removing a small portion of the costs of the default retail energy component from that value.

Most ordinary people take 30 to 60 minutes to understand how the RPS system works in terms of disaggregated renewable attributes in restructured markets. Disaggregated renewable attributes are not intuitive and even when a person with an above average IQ conceptually grasps

it after explanation, it does not make complete sense to those who do not spend all day in the energy field. For that reason, I think having ordinary customers understand why the RPS value and small amount of default retail energy service is removed would be an insurmountable barrier to presenting how NEM operates, and what credits are received, to the average New Hampshire customer. It would become a barrier, or another barrier, to customer's understanding NEM project economics and payback periods.

Q. And you have another disagreement?

A. Yes, on page 10 of 32, lines 22 to 25, the CPCNH testimony states it would "[c]ontinue the basic structure of NEM 2.0 for projects up to 100 kW, except apply a different credit rate for the energy supply component of compensation for net exports to the grid." I agree with applying the same structure of NEM 2.0 for projects up to 100 kW as proposed in the CENH testimony. I do not agree with applying a different credit rate.

Q. Why not?

A. The same answer as above. I view having a credit rate that is different for the default energy supply portion to present an issue with rate simplicity and customer comprehension. It may work for some customers, but for the average residential customer, there will always be a customer comprehension issue if you get into fractions of the utility bill components as credits.

VI. CONCLUSION.

Q. Can you summarize your reply testimony?

A. Yes. CENH agrees directionally with almost all of the CPCNH testimony. CENH presents and proposes simple credit mechanisms for customer-generators participating in NEM. Those simple mechanisms may be less costly for the utilities to administer and implement. For customer-generators at or under 100 kW, CENH prefers the simpler proposal presented in its initial testimony.

That said, other than as identified in this reply testimony, CENH does not object to the proposals for CPCNH for municipal host customer-generators greater than 100 kW up to 5 MW in capacity. CENH is interested in the utility views on ability to administer the CPCNH proposal(s).

Q. Does this conclude your testimony?

A. Yes. Thank you.