EXHIBIT
Exh. 16
DE 23-044

STATE OF NEW HAMPSHIRE
BEFORE THE NEW
HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 23-044
Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
2023 Default Service Solicitations
Direct Market Procurement of a Portion of Default Energy Service per Order No. 26,913

Technical Statement of Stephen R. Eckberg, Utility Analyst
Division of Regulatory Support
New Hampshire Department of Energy

The New Hampshire Department of Energy ("DOE") has reviewed the proposal of Liberty Utilities (Granite State Electric) Corp. ("Liberty" or "Company") made on January 29, 2024 for a direct ISO-New England (ISO-NE) market-based procurement tranche of approximately twenty percent of its small customer group energy requirement for its upcoming August 2024 – January 2025 supply period. The Company's proposal was submitted in compliance with the Public Utilities Commission's Order No. 26,913 issued December 15, 2023. *See* Order at 8.

Summary

As described herein, in the opinion of DOE, the Company's proposal complies with the Public Utilities Commission's (PUC's) directive in Order No. 26,913 to make such a submission. The DOE provides comments below on the Company's PPP and if the Commission determines it will approve Liberty's PPP proposal for direct market procurement, we recommend consideration of these suggestions to modify the Company's PPP to acquire twenty percent of small customer load and to incorporate costs of doing so in its default energy service rate as proposed in the Company's filing.

Further, the methodology proposed in the Company's Proposed Procurement Plan (PPP) to include the forward estimated costs of self-procured energy together with the costs derived from the Company's traditional RFP process and continue to provide the small customer group with an all-in fixed price for each six-month period is reasonable. The Company's PPP proposes to procure approximately 20% of its small customer group energy needs through ISO-NE's Day Ahead (DA) market and to settle any difference (buy or sell the difference) in that energy tranche in the Real Time (RT) market. Finally, the Company would reconcile the forward estimated costs of the self-procured energy with the actual hourly costs of that energy procured and include that total reconciliation amount in the Company's subsequent regular energy service reconciliation of costs. The DOE believes that this is an acceptable approach to cost reconciliation.

The Company has also presented an Alternative Procurement Plan (APP) involving the use of a Locational Marginal Price call option. The DOE understands the use of a call option to be an insurance policy of sorts which creates a specific ceiling price for energy purchased in the ISO market. If the actual price rises above that set ceiling price in the call option then the Company would be