

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 24-046

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
d/b/a EVERSOURCE ENERGY**

2024 Energy Service Solicitations

**Order Approving Petition for February 1, 2025 to July 31, 2025 Rates, and
Requiring Filing of Company Proposal for Expanded Market-Based Procurements
by February 7, 2025**

O R D E R N O. 27,090

December 19, 2024

This order authorizes Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource or the Company) to recover the costs of power supply through energy service (ES)¹ rates for effect for the six-month period of February 1, 2025 to July 31, 2025. The updated ES rate for Eversource's Small Customer Group, which includes residential customers taking energy service from Eversource, is 8.929 cents per kilowatt hour (kWh), which will result in a decrease in overall monthly bills for a typical residential customer using 600 kWh monthly and taking default ES from Eversource of approximately 5.9 percent, or \$8.84, compared to current rates. This rate includes a charge of 0.904 cents per kWh for Renewable Portfolio Standard (RPS) compliance costs. The RPS costs represent approximately 10.1 percent of the power supply charges for residential customers.

The Commission also approves Eversource's market-based ISO-New England procurement tranche of 30 percent of Small Customer Group load, and 100 percent of Large Customer Group load (which includes certain commercial and industrial (C&I)

¹ The customer bill for those customers that take Eversource default service is composed of three parts: power supply, transmission, and distribution. The ES rates for default service customers are for the power supply component only.

ES customers of Eversource), and associated Tariff features, as initially approved by the Commission in Orders Nos. 27,064 (October 15, 2024) and 27,022 (June 20, 2024), in this instant docket. This order also requires Eversource to prepare a filing delineating how it will accommodate an expanded ISO-New England market-based procurement component for its Small Customer Group in its upcoming August 2025-January 2026 ES rate period, as noted later.

The Commission does not administratively set the prices offered by wholesale electricity suppliers operating in the regional ISO-New England market to Eversource for serving Eversource's ES load. These prices are set by the wholesale suppliers themselves, informed by the prevailing market conditions, in a competitive bidding process, where Eversource endeavors to select the least-cost supplier. The Commission does oversee this market process as part of this proceeding and approves the resultant rates under the governing statutory standards.

I. BACKGROUND AND POSITIONS

Eversource made its ES filing for this upcoming February-July 2025 rate period pursuant to a settlement agreement (Settlement Agreement) approved in Docket No. DE 17-113, by Order No. 26,092 (December 29, 2017). The Settlement Agreement established the process by which Eversource procures energy service following divestiture of its generation assets. This basic ES process was re-confirmed by the Commission in its Order No. 26,733, issued on November 22, 2022, in Docket No. DE 22-021, and most recently modified by the Commission in Order No. 27,064, to incorporate a 30 percent market-based procurement tranche for the Small Customer Group, and a 100 percent market-based procurement tranche for the Large Customer Group, pursuant to a Commission directive.

This proceeding was inaugurated by the Commission's Commencement of Adjudicative Proceeding and Notice of Hearing Order on May 6, 2024. The Office of the Consumer Advocate (OCA) filed its letter of participation on April 10, 2024. On December 12, 2024, Eversource filed a Petition for Adjustment to the Energy Service Rate for effect on February 1, 2025, with supporting pre-filed testimony of Luann Lamontagne, Parker Littlehale, Ashely Botelho, and Edward Davis, all personnel with Eversource Energy Service Company, Eversource's service-company affiliate. See Hearing Exhibit 6.

Certain schedules included in Eversource's filings, *see* Confidential Hearing Exhibit 7, contain information that Eversource claims is confidential pursuant to the New Hampshire Code of Administrative Rules, Puc 201.06 and 201.07. This material includes the Company's bid evaluation and summary information, renewable energy certificate (REC) pricing, and other confidential pricing terms. The hearing for this phase of the Eversource ES proceeding, relating to the February-July 2025 ES rate period, was scheduled by the Commission in a procedural order issued on November 20, 2024, which scheduled the hearing for December 17, 2024. The Commission also appointed, as hearings examiner, Alexander Speidel, Esq., Senior Advisor to the Commission, pursuant to the terms of RSA 363:17, to hear the parties, report the facts, and make recommendations to the Commission. The hearing was held on December 17, 2024, as scheduled, where the Company, the OCA, and representatives of the New Hampshire Department of Energy (DOE) appeared, and Attorney Speidel served as presiding officer. Mss. Lamontagne and Botelho, and Messrs. Littlehale and Davis, provided additional oral testimony in support of the Company's petition at hearing. Neither the OCA nor the DOE objected to the Company's request for confidential treatment. As ordered by the Commission in its November 20 procedural

order, Attorney Speidel filed his Hearing Examiner Report with the Commission on December 18, 2024. The facts presented within that Report will be incorporated by reference in this Order.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted on the Commission's website at

<https://www.puc.nh.gov/Regulatory/Docketbk/2024/24-046.html>

Eversource's ES petition seeks approval of new ES rates for the six-month period beginning February 1, 2025, and ending July 31, 2025. Eversource partially based its filing on the results of its Request for Proposals (RFP) solicitation issued on October 31, 2024, for power supply to serve 70 percent of Company's Small Customer Group load, as required by Order No. 27,064. According to Eversource, the RFP was widely distributed, including to all members of the New England Power Pool (NEPOOL) Markets Committee and was posted on the Company's website.

The RFP requested 70 percent of the required power supply for the Company's Small Customer Group in five equal tranches of 14 percent each. Hearing Exhibit 6 at Bates Page 9. The RFP requested that bids be prepared on an as-delivered energy basis, with prices stated monthly on a fixed dollar per megawatt-hour (MWh) basis. Eversource received bids on December 10, 2024; winning suppliers were also selected on December 10, 2024; and transaction confirmations with the winning bidders were executed by the Company on December 11, 2024. See Hearing Examiner Report at Page 3. Eversource selected winning RFP offers from NextEra Marketing, LLC (NextEra) and Constellation Energy Generation, LLC (Constellation). *Id.* Eversource selected bids from NextEra to serve three 14-percent Small Customer Group tranches,

and selected bids from Constellation for serve the remaining two 14-percent Small Customer Group tranches. Hearing Exhibit 6 at Bates Page 27.

(The mechanics of the 30 percent ISO-New England market-based procurement tranche for the Small Customer Group, and the 100 percent market-based procurement tranche for the Large Customer Group, is discussed at length in Order Nos. 27,064 and 27,022, *passim*).

The Company, as part of its ES petition, made reference to the treatment of a significant prior-period under-collection balance of \$6.5 million, now approximately \$6.9 million due to carrying costs, partly arising from a decline in sales among the Large Customer Group, and partly arising from a beginning balance under-collection of \$4.5 million. Pursuant to the terms of Order No. 27,022, and Order No. 27,034 (July 12, 2024), the Commission ordered Eversource to place this under-collection into a deferral account, and to prepare a proposal, for the Commission's review, to have these funds recovered through the Company's Stranded Cost Reconciliation Charge (SCRC), which is charged to all Eversource distribution customers. The permanent treatment of such ES reconciliation charges and credits, which would, according to the Company's proposal currently under review in the open SCRC proceeding in Docket No. DE 24-112, eventually include both Large Customer Group and Small Customer Group under/over-collections, is still being considered by the Commission in DE 24-112. For the purposes of these ES rates, prior-period reconciliation over-collections from Small Customer Group customers are being credited to ES rates for those customers. Hearing Examiner Report at Page 5; Hearing Exhibit 6 at Bates Pages 45-50; *see also* Hearing Exhibit 1, Chen/Anderson Testimony, at Bates Pages 52-55.

Also included in the Company's ES petition considered here was its updated 2023 Lead Lag Study, and related technical modifications, presented in the Botelho-Davis Testimony (Hearing Exhibit 6 at Bates Page 50 and related references). The Company also presented its proposals for its costs of meeting RPS compliance; prior-period reconciliations for RPS; and the costs for administrative and general expense associated with Eversource's provision of ES to its customers. Hearing Exhibit 6 at Bates Pages 47-48.

The Company represented that consistent with the Settlement Agreement, Eversource added to the base energy price an amount that recovers costs that Eversource must pay for compliance with New Hampshire's RPS requirements under RSA Chapter 362-F. Eversource calculated a uniform RPS adder, based on current market prices for renewable energy certificates (RECs) that comply with the RPS requirements of 0.904 cents per kWh for both the Small and Large Customer Groups, an increase from the current RPS adder of 0.868 cents per kWh. Hearing Exhibit 6 at Bates Pages 35 and 71. Eversource calculated the recovery factor for administrative and general expenses to be 0.160 cents per kWh, an increase from the current rate component of 0.094 cents per kWh. Hearing Exhibit 6 at Bates Pages 71-72.

Attorney Speidel's Hearing Examiner Report provided a comprehensive summary of the positions taken by the Company, the DOE, and the OCA at hearing. Data regarding rate changes and bill-impacts for the Small Customer Group and Large Customer Group was also presented in the Report. The Commission incorporates these findings by reference; Attorney Speidel recommended that the Commission approve the Eversource ES petition as filed, and suggested that the Commission could explore the potential for a further expansion of the Small Customer Group market-based procurement component to a level of at least 50 percent. The Hearing Examiner

Report is available here: <https://www.puc.nh.gov/Regulatory/Docketbk/2024/24-046/LETTERS-MEMOS-TARIFFS/24-046-2024-12-18-NHPUC-HEARINGS-EXAMINER-REPORT.PDF>

II. COMMISSION ANALYSIS

We find that Eversource's solicitation and bid evaluation procedures conform to the process approved by the Commission in Order No. 26,092, and re-confirmed in Order No. 26,733, and as modified by Order Nos. 27,064 and 27,022 in relation to the market-based component. *See also* RSA 374-F:3, V(c).

Eversource's solicitation of bids and selection of NextEra and Constellation to provide 70 percent of the power supply for the Small Customer Group for the six-month period beginning on February 1, 2025, is appropriate and satisfies the requirement that default energy service be procured through a competitive process that produces rates that are market based. *See* RSA 374-F:3, V(c).

We also find Eversource's price estimates of RECs, which are reconciled annually, are appropriate and we approve the price estimates for inclusion in retail rates effective February 1, 2025. We also accept the Company's 2023 ES Lead Lag Study used in the calculation of the working capital requirements for this ES filing, subject to the proviso that they are subject to reconciliation on any further review by the DOE, the Commission, and the Company itself.

The Commission again notes that although we do not have regulatory authority over power supply since New Hampshire's utilities divested themselves of their generation/power supply assets, the Commission has the ability to oversee the procurement process, to ensure robust competition and therefore help in lowering default service prices. We are struck, in particular, by the positive pricing outcomes presented by Eversource in its ES rate filing for the Large Customer Group rates,

which vary by month, and presented within the Hearing Examiner Report, resulting from the 100 percent market-based procurement and proxy-price methodologies established by the Commission, and the positive contribution made by the 30-percent market-based procurement component for the Small Customer Group (which includes residential ES customers) in reducing the ES rates for that class of customers. With Community Aggregation accelerating, and the wide ongoing pricing differential between requirements contract prices and ISO-New England prevailing market prices, as evidenced by Eversource's ongoing monthly reporting, the Commission believes it is appropriate to expand the market-based procurement program for the Company.

Therefore, the Company shall file, no later than February 7, 2025, a proposal for the Company's upcoming August 2025-January 2026 ES period that would include the following components: (1) an ISO-New England market-based procurement tranche of at least 50 percent, along the lines approved in Order No. 27,064 and this instant Order, and with an explanation of Company's choice of the given tranche size provided by the Company; and (2) a continuation of the 100 percent ISO-New England market-based procurement approach for the Large Customer Group, along the lines approved in Order No. 27,064 and this instant Order. This proposal would be assessed by the Commission in a future phase of this proceeding upon submission by Eversource.

The Commission also wishes to underscore that the final disposition of the question of how to address ES-related reconciliation balances going forward will be adjudicated in the now-open SCRC proceeding for Eversource, wherein the Company has made its related proposals, Docket No. DE 24-112. The Commission notes that any deferrals that have been made in advance of this disposition are provisional, and subject to future reconciliation based on the outcome of the DE 24-112 proceeding.

Based upon the foregoing, it is hereby

ORDERED, that the power supply agreements entered into between Eversource and NextEra Energy Marketing, LLC and Constellation Energy Generation, LLC, to provide 70 percent of the power supply requirements for the Small Customer Group for the six-month period beginning February 1, 2025, are hereby APPROVED as filed and discussed herein above; and it is

FURTHER ORDERED, that the Eversource market-based procurement methodologies presented in its ES petition for the upcoming ES period are hereby APPROVED; and it is

FURTHER ORDERED, that Eversource's request to recover the costs of the power supply agreements and market-based energy procurements through the ES rates proposed in this filing effective with services rendered on and after February 1, 2025, through July 31, 2025, is hereby APPROVED, as filed and discussed herein above; and it is

FURTHER ORDERED, that Eversource is authorized to use the results of the 2023 Lead/Lag study in the calculation of ES rates, subject to any reconciliation; and it is

FURTHER ORDERED, that the internal administrative costs for Eversource's provision of default Energy Service to its customers presented in its ES filing are APPROVED for collection through ES rates; and it is

FURTHER ORDERED, that Eversource is authorized to use its price estimates of renewable energy certificates in its calculation of ES rates; and it is


FURTHER ORDERED, Eversource shall file with the Commission, no later than February 7, 2025, a proposal for an expanded ISO-New England market-based procurement approach for the ES Small Customer Group, as delineated in this Order,

for the Company's upcoming August 2025-January 2026 ES period, to be assessed by the Commission in a future phase of this proceeding; and it is

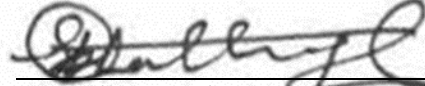
FURTHER ORDERED, that Eversource, for this upcoming ES rate period, is to continue to file, by the 30th day of the following month, a summary comparison of the monthly average ISO-New England market electricity prices with the power supply charge components for Eversource's Small Customer Group; and it is

FURTHER ORDERED, that Eversource shall file conforming tariff pages, incorporating the new ES rates, all as approved herein, within 20 days of the date of this order, consistent with N.H. Code Admin. Rules, Puc 1603.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of December, 2024.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner

Service List - Docket Related

Docket#: 24-046

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