

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 10-212

**RENEWABLE ENERGY INCENTIVE PROGRAM FOR
COMMERCIAL AND INDUSTRIAL SOLAR PROJECTS**

Order Expanding and Modifying Program

ORDER NO. 25,764

February 20, 2015

In this Order, we approve changes to the existing incentive program for solar energy projects undertaken by commercial and industrial electric customers. The changes create two categories of eligible projects. The first category is for solar electric and thermal systems rated less than or equal to 100 kilowatts (AC) or thermal equivalent. The second is for solar electric systems greater than 100 kilowatts (AC) but less than or equal to 500 kilowatts (AC). We decrease the per kilowatt incentive amount for solar electric projects and implement numerous other changes to program terms and conditions. We also address program transition issues for applications that have received Step 1 approval, as well as Step 1 applications that have been filed but not yet approved or denied.

I. PROCEDURAL HISTORY

In 2010 the Commission approved initiation of a commercial and industrial (C&I) solar rebate program pursuant to RSA 362-F:10, VIII. *See Establishing a Commercial and Industrial Renewable Energy Rebate Program*, Order No. 25,151 (October 1, 2010). The program provides incentive funds to C&I electric customers for solar photovoltaic and solar thermal energy projects. The program is funded by the renewable energy fund (REF) created by RSA 362-F:10. Application for incentive funds is made through a two-step process in which an initial “Step 1”

application is typically submitted prior to construction and a final “Step 2” application is submitted once the project has become operational. The program is currently limited to projects of less than or equal to 100 kilowatts (kW) based on direct current (DC) rating or 100 kW (DC) thermal equivalent. Relatively minor modifications and clarifications have been made on three occasions, by Commission secretarial letters issued on March 29, 2011, January 31, 2012, and December 18, 2013.

On November 7, 2014, Commission Staff (Staff) filed a memorandum recommending that the program be expanded and modified in a number of respects, as described in Section II below. The Commission conducted a public comment hearing regarding the proposed program modifications on November 25, 2014, and received written comments from a number of stakeholders following the hearing. This order and prior docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted at <http://www.puc.nh.gov/Regulatory/Docketbk/2010/10-212.html>.

II. STAFF’S RECOMMENDATION

Staff in its memorandum noted a substantial increase in program applications since June 2014. Staff also noted recent changes in the group net metering rules, N. H. Code Admin. Rules Part Puc 909, and in the REF incentive program rules under N. H. Code Admin. Rules Chapter Puc 2500. In view of these recent developments, Staff recommended significant changes to the program.

Staff recommended that the program be divided into two separate categories:

Category 1: Solar electric and thermal systems rated less than or equal to 150 kW (DC) or thermal equivalent; and

Category 2: Solar electric systems greater than 150 kW (DC) but less than or equal to 500 kW (DC), but not solar thermal systems.

In addition, Staff recommended numerous other modifications to the program, the most significant of which are summarized below:

1. Decrease in the incentive payment from 80¢ per watt to 75¢ per watt, or 25% of total project costs if less, for all new solar electric projects in Category 1;
2. Elimination of the \$50,000 cap on incentive payments per approved project;
3. Modification of the applicant cap, currently \$300,000 per applicant, such that no more than 10 pending project applications, or applications for incentives in the aggregate equal to or greater than 30% of the total project category budget, may be in the name of the applicant or any other entity under common ownership, whether direct or indirect, of more than 25% of outstanding equity interests;
4. Revision of many of the documentation requirements for both Step 1 and Step 2 applications; and
5. Shortening of the Step 2 application deadline from nine months to six months after Step 1 approval, subject to potential extension if the reason for any delay is adequately explained and substantial progress is shown throughout the approval period, such as evidence of active interconnection study, state and local permitting activities, and other project development efforts.

The program terms and conditions applicable to the larger Category 2 projects would generally be the same as for the smaller Category 1 projects, except that the incentive payment amounts would be as follows:

- (i) Incentive of 65¢ per watt, or 25% of total project costs if less, for all new projects; and
- (ii) Incentive of 30¢ per watt, or 25% of total project costs if less, for all expanded projects.

Staff further recommended that the Commission evaluate the potential transfer of available funds between Categories 1 and 2 on a quarterly basis, noting that funds should only be reserved for complete applications that have been approved, and only until the applicable Step 2 application deadline date, subject to any extension granted to the applicant.

Staff suggested that the Commission consider whether certain information submitted in connection with program incentive applications should be afforded confidential treatment, because it represents sensitive proprietary, financial, commercial, or trade secret information, as contemplated by RSA 91-A:5, IV.

Staff indicated the need to address transition issues following approval of any program changes. Staff proposed that projects that have received Step 1 approval be considered “grandfathered,” unless the projects have changed significantly since their approval. As an example, Staff would consider a change in the number of meters to be a disqualifying change to a Step 1 approval and would require an applicant to submit any revisions to the project at the effective time of program modification, or as soon as the change is known. Staff would reevaluate such projects under the new terms and conditions of the modified program, including the revised incentive levels approved in connection with such modifications.

Staff recommended that the program revisions become effective on a specified future date to allow enough time for the application forms to be revised and to ensure that applicants have sufficient time to gather and submit all of the required information. Staff did not recommend specific proposals for the transitional treatment of pending applications that had been filed but not yet approved or denied prior to the effective date of the program modifications.

III. POSITIONS OF PUBLIC COMMENTERS

The Commission received comments from a number of interested stakeholders, including several solar electric system installers. Commenters were generally supportive of the proposed modifications. The following is a summary description of issues raised by commenters, presented by relevant issue:

1. Project Capacity Size. Several commenters addressed the maximum project size for Category 2 projects and the means by which capacity size is determined. For example, Borrego Solar Systems, Inc. (Borrego), noted that the actual output of any solar electric system is limited by the inverter capacity in alternating current (AC). Inverters are typically loaded with a DC to AC ratio of 1.4 to 1.5 to maximize energy harvested from the inverter. Because 500 kW AC represents a common platform in the marketplace, Borrego proposed either amending the proposed 500 kW cap from DC to AC or raising the cap to 650-700 kW DC to accommodate the appropriate loading of 500 kW inverters. Borrego maintained that this change would lead to a lower overall cost of solar electric generation and more efficient use of REF funds. A similar comment was submitted by the Director of Clean Energy Finance of the Community Development Finance Authority (CDFA).

A different perspective was expressed by ReVision Energy (ReVision), which supported Staff's recommendation that system nameplate capacity size be determined based on DC rating. ReVision stated that this would allow applicants "to easily estimate the projected incentive and streamline the applicant process."

2. Incentive Levels and Structure. CDFAs urged the Commission move to a "declining block" structure for the program incentives, similar to that used in Massachusetts and other states. Under this structure, the amount of the available rebates for different size projects declines over time. According to CDFAs, the declining block incentive model creates a need for value engineering and innovation to ensure that systems continue to decrease in cost and increase in efficiency. CDFAs believe that a declining block structure would foster a heightened sense of urgency and would spur earlier development of new projects.

Avid Solar (Avid) proposed that the Commission adopt an incentive structure that would provide higher rebate amounts to small projects under 25 kW, with two other incentive levels for projects between 25 kW and 100-150 kW and larger projects up to 500 kW. Avid did not propose specific incentive amounts for any of the three levels it identified. Avid further argued that the Commission should provide the same level of incentive for system expansions as for new systems, because the current and proposed distinctions between new and expansion projects are not necessarily economically justified.

ReVision recommended that the incentive calculation for solar thermal projects be changed so it would be simpler to estimate without Staff and the installer calculating different modeling, shading analysis, and derate chart results. ReVision proposed that the solar thermal incentive be calculated based on kBtu per year from the Solar Rating and Certification Corporation (SRCC) Mildly Cloudy C Rating, eliminating the derating schedule and modeled annual production from the incentive calculation.

The New Hampshire Sustainable Energy Association (NHSEA) recommended that the Commission include a “heat pump adder” in the incentive structure, but did not propose any particular amount or level for this adder.

3. Application and Documentation Requirements. Certain commenters addressed application and documentation requirements. ReVision urged the Commission to implement an efficient electronic application portal and to eliminate the need for notarized signatures, paper, stamps, and time lost through mailing. ReVision further suggested that this online portal should have a status board in order to obviate the need for applicants to request frequent updates from Staff, thereby saving time and money.

ReVision also asked the Commission to clarify the requirement that applicants demonstrate that they are commercial customers of a “provider of electricity,” in view of certain ambiguous circumstances such as multi-family residences, farms operated as businesses, and small home-based businesses. In these situations the distribution utility may have installed a residential meter, but the property is the site of business operations conducted by the project owner or the host property owner. According to ReVision, greater clarity in the documentation requirements would enable it to properly educate landlords, farmers, and small business owners with regard to the availability of incentives.

New Hampshire Solar Garden recommended that the Commission permit the submission of alternative documentation in lieu of a lease agreement to demonstrate property owner authorization when the project owner applying for the incentive is different from the property owner. New Hampshire Solar Garden gave leases with municipalities as circumstances when alternative documentation would be appropriate. According to New Hampshire Solar Garden’s representative, municipalities are not always able to complete lease agreements quickly because of the need to obtain board of selectmen approval, and he suggested that the Commission accept alternative forms of authorization documentation, such as a letter of intent, memorandum of understanding, or board of selectmen approved meeting minutes.

NHSEA supported the Staff recommendation that a modified applicant cap be adopted that would extend to companies under common ownership, but proposed that the applicable dollar limit be the greater of either \$2,000,000 per year or 30% of the available annual program budget.

4. Funding Allocation Visibility and Budgeting Transparency. Several commenters urged the Commission to provide enhanced visibility and transparency regarding program

funding allocations and budgetary planning. ReVision urged the Commission to create a visual chart on its website showing the availability of funds for Category 1 and Category 2, to be updated at least weekly, indicating the level of funds currently budgeted, available, under review, and committed through the approval process. Similar comments were offered by Borrego and by NHSEA.

Borrego noted that larger solar energy projects typically require longer development and construction lead times, and that greater funding allocation visibility and budgetary planning transparency would accommodate these timing constraints. Borrego proposed that the Commission publicly state the funding levels it plans to request for the next several years, even though any such requested funding could not be counted on until it is appropriated. Such public statements of intent would facilitate assessment by market participants of the potential size of the market. Borrego requested that the Commission work with other policy-makers in the State to explore the possibility of providing multi-year budget visibility.

Borrego further maintained that it is currently unclear whether projects that apply for incentive funding in one year but do not receive funding in that year because of funding limitations are “queued” (in line) for access to funding in the subsequent year. Borrego proposed that the Commission develop and publish procedures for handling these circumstances.

5. Transition Issues. Only a few commenters addressed issues regarding the transition from the existing Program to the proposed modified Program. ReVision recommended the Commission set an effective date when the modified Program will be initiated and applications will be available for use by project applicants. NHSEA urged the Commission to adopt the modifications and adopt a smooth transition process as quickly as possible, so that developers could move forward with their projects and access the currently available budgeted funds.

IV. COMMISSION ANALYSIS

We note at the outset that the program is supported by the REF created in RSA 362-F:10. Pursuant to RSA 362-F:3, providers of electric service must serve a certain percentage of their load with renewable energy, which is represented by renewable energy certificates (RECs), assigning one REC for each megawatt-hour of renewable power generated. If the electric service provider is unable to acquire a sufficient number of RECs to meet its compliance obligation, then the provider must make an alternative compliance payment (ACP) into the REF pursuant to RSA 362-F:10, II.

The REF monies thus collected are to be used to support thermal and electric renewable energy initiatives. RSA 362-F:10. Under RSA 362-F:10, X, the Commission must, over each biennial period, reasonably balance the overall amounts expended, allocated, or obligated from the REF between the residential and nonresidential sectors, with reference to the amount of retail electricity sales made to customers in each sector.

We have reviewed Staff's proposed modifications to the program and the comments received from system installers and other interested stakeholders. We find that expansion and modification of the program is warranted in light of the increased level of interest in solar energy incentives and the potential for development of larger projects in the State. We also find that changed circumstances support the proposed bifurcation of the program into two categories, for relatively smaller and larger projects, each with its own funding allocation, size limits, incentive levels, applicant caps, queue positions, and application requirements. We approve and adopt Staff's proposed modifications to the commercial and industrial solar program, except as otherwise described and explained below or as otherwise noted in the Category 1 and Category 2 term summary tables attached to this Order.

We now address the issues raised by public commenters, as summarized in Section III above:

1. Project Capacity Size. We agree with those commenters who recommended that the project capacity size limits applicable to the program categories should be based on the AC rather than the DC rating of proposed projects. Using the AC rating of the inverter rather than the DC rating of the photovoltaic panels would correspond more closely with the actual electricity output produced by the installed system. It would also align better with the Commission's net metering rules, which measure generation capacity for inverter-based units based on the kW rating of the inverter and recognize a distinction between small and large "customer-generators" based on a 100 kW demarcation. *See* N.H. Code Admin. Rules Puc 902.09, 902.14, 902.18. We therefore approve the creation of two separate project categories. Category 1 shall be for projects with a maximum capacity size of 100 kW (AC) based on rated inverter capacity for solar electric projects or the thermal equivalent for solar thermal projects. Category 2 shall be for solar electric projects with a capacity size greater than 100 kW (AC) but not greater than 500 kW (AC) based on rated inverter capacity.

2. Incentive Levels and Structure. We find that the potential benefits of a declining block structure are outweighed by the added administrative complexity and the timing constraints for applicants. We also find that the incentive levels proposed by Staff will provide sufficient impetus for development of projects smaller than 25 kW and for expansions of existing systems. With respect to ReVision's comment related to the solar thermal production calculation, we clarify that the SRCC rating may be used for the calculation, but the orientation and shading losses should continue to be taken into consideration. Finally, we are not persuaded

that the program should be modified at this time to include a “heat pump adder,” as suggested by NHSEA.¹

We therefore approve the incentive levels proposed by Staff as set forth below, in each case subject to a limit of 25% of the total project cost if less than the incentive payment otherwise calculated:

- (i) Category 1 new electric projects: \$0.75 per watt (AC);
- (ii) Category 1 expanded electric projects: \$0.50 per watt (AC);
- (iii) Category 1 new thermal projects: \$0.12 per kBtu per year for 15 or fewer collectors, or \$0.07 per kBtu per year for greater than 15 collectors;
- (iv) Category 1 expanded thermal projects: \$0.04 per kBtu per year;
- (v) Category 2 new electric projects: \$0.65 per watt (AC); and
- (vi) Category 2 expanded electric projects: \$0.30 per watt (AC).

3. Application and Documentation Requirements. We find that an electronic application process would be more efficient and cost-effective for both applicants and Staff, as compared to the existing paper application process. We direct Staff to implement an electronic application process as soon as reasonably feasible, while maintaining an optional paper application process for at least six months following implementation of the electronic application process.

We clarify the “commercial customer” requirement, recognizing that multi-family residences with three or more separate housing units and farms operated as businesses for profit may be considered commercial customers for purposes of the program. Nonetheless, home-based businesses with a residential meter are not eligible. To be considered eligible, an

¹ Heat pumps are eligible for rebates or incentive payments under certain of the CORE energy efficiency programs administered by public utilities in New Hampshire.

applicant must have a commercial meter, except as noted above for multi-family residences with three or more housing units and farms operated as businesses for profit.²

We agree with New Hampshire Solar Garden that alternative documentation of property owner authorization of project installation for property owned or controlled by governmental entities, in lieu of an executed lease agreement, should be accepted to demonstrate eligibility. Staff is directed to modify the application procedures to accommodate submission of such alternative documentation for project sites owned or controlled by governmental entities.

With respect to the proposed applicant cap modification, NHSEA has suggested that the applicable dollar limit be set as the greater of either \$2,000,000 per year or 30% of the available annual program budget. We find that this limit is too high, given the likely REF budget allocations for the two program categories. Staff has recommended that the applicant cap be modified such that no more than 10 pending project applications, or applications for incentives in the aggregate equal to or greater than 30% of the total project category budget, may be in the name of the applicant or any other entity under common ownership, whether direct or indirect, of more than 25% of outstanding equity interests. We find that this reformulation of the applicant cap is reasonable and appropriate and should be implemented as a feature of the modified program.

Another application issue merits consideration although it was not addressed by any commenter. Under the terms of both the existing and modified program, Step 2 applicants must submit an auditor's report of an energy audit on the structure to be served by the system. It is possible, however, that applicants may not have a structure with significant electric load at the

² Eligibility for the program will not affect how incentive payments are allocated for purposes of compliance with RSA 362-F:10, X, which requires that the Commission reasonably balance, over each biennial period, the overall amounts expended, allocated, or obligated from the REF between the residential and nonresidential sectors. For example, a multi-family housing project may be eligible for incentives under this program while being counted as residential in connection with the biennial balancing test calculations.

site of the project, in particular if they intend to participate in a group net metering program. Instead, most of the electric load to be served by a project may be that of group net metering members with buildings or structures at different locations. We therefore find that the Step 2 application requirement for an energy audit report should be modified so that an energy audit must be performed of buildings or structures that represent at least 50% of the electric load to be served by the project, or five such buildings or structures, whichever is less, regardless of their physical location. The energy audit report requirement may be waived if the applicant can demonstrate a significant investment in energy efficiency measures, in a manner consistent with Staff's administration of the existing program.

Finally, we acknowledge that certain applications may include sensitive proprietary, financial, commercial, or trade secret information. We do not, however, find a need to approve confidential treatment of any such information in advance. Applicants may request confidential treatment of information submitted with their applications, in accordance with N.H. Code Admin. Rules Puc 203.08. These requests will be considered on a case-by-case basis.

4. Funding Allocation Visibility and Budgeting Transparency. We find that it would further the goals of the program for the Commission to maintain on its website an up-to-date graphic display for each program category, indicating the current approved budget allocation, the funding amount currently reserved for approved projects, the funding amount currently the subject of pending complete applications, and the funding amount potentially available for new project applications. We direct Staff to implement an appropriate website graphic display as soon as reasonably feasible.

With respect to Borrego's request that the Commission publicly state the funding levels it plans to request for future years, we acknowledge that this budgeting information might be

useful to developers and installers in planning larger project timelines. There is, however, great uncertainty regarding the specific funding available in the REF on a year to year basis. The REF amount available for the program depends on ACP payments in the relevant year, as well as potential alternative uses for the REF balance. We also note that the continued success of the renewable portfolio standard can be expected to result in lower ACP payment levels and declining annual REF balances as more RECs become available in the market. In view of these uncertainties, we decline to commit to providing multi-year future budgeting plans or projections at this time for this program. The biennial budget does provide the total appropriated amount for the REF and for the current fiscal year, the Commission has budgeted \$6,493,762 for this program. The Commission directs Staff to publish the budget allocations for Category 1 and Category 2 on the Commission's website when that budget information is available.

Borrego also raised questions about the effect of queue positions and wait-listing of applications in situations where allocated funds may be insufficient to cover all incentives applied for. These issues merit clarification: Step 1 applications for each category will be reviewed by Staff in the order in which they are submitted. The queue position for an application, however, will be established only when the application is complete and ready for final Staff review. Incentive funds will not be reserved for a proposed project until the related Step 1 application has been approved. Incentive funds will be reserved for a proposed project only until the applicable Step 2 application deadline, subject to any extension(s) granted to the applicant for good cause. A wait list of complete Step 1 applications in each category will be maintained, based on the relative queue positions of the pending applications, in the event that a shortage of available funds for that category occurs. The wait lists will not be limited as to time, number, or dollar amount of pending applications, provided that the projects applied for remain

under active development. In other words, applications maintained on the wait list will be eligible for funding in the subsequent budget year. The queue positions of waitlisted applications will control funding determinations even if installation of a project with a lower queue position is completed before installation of a project with a higher queue position. An applicant should, however, inform Staff in writing if a proposed project is no longer under active development or if the applicant no longer wishes to have its application included on the applicable wait list.

5. Transition Issues. As noted above, very few comments were submitted regarding transition. We have considered the relevant issues and have determined that the following transition process and timeline should be implemented. Applications subject to the existing program terms and conditions will be accepted only for a two-week period following the date of this Order (i.e., until March 6, 2015). All Step 1 applications received by the Commission at its offices on or before that date will be processed under the existing program terms and conditions, as “grandfathered” projects. The terms and conditions approved in this Order will become effective eight weeks from the date of this Order (i.e., April 17, 2015). All applications received on or after that date will be processed under the modified program terms and conditions. No Step 1 applications may be submitted during the six-week period prior to the effective date of the modified program. In effect, the Step 1 application “window” will be “closed” during this interim period.

We further clarify that any applicant with an approved or pending Step 1 application under the existing program that submits a new application for the same project under the modified program will automatically be denied under the existing program and not afforded “grandfathered” project status. The new applicant caps, based on the number of applications

submitted or the percentage of category funding allocation sought by affiliated entities, will not count or otherwise include any applications which are grandfathered. Grandfathered applications will remain subject to the current \$300,000 applicant cap, and any new applications submitted by the applicant or its affiliates will not count toward the prior cap. Applications submitted under the modified program will be subject to the new caps without consideration of any grandfathered projects.

V. CONCLUSION

In summary, terms that we approve in this Order represent a reasonable and appropriate accommodation of the interests of developers of both smaller and larger size solar electric projects. We approve and adopt the program expansion and modifications proposed by Staff, including the transition process and timing, as described above and as summarized in the tables attached to this Order. We direct Staff to implement application submission, processing, review, and approval procedures consistent with this Order. To facilitate administration, we authorize Staff to make clerical, administrative, and other modifications to program application forms and processes without further Commission approval, provided that such modifications are consistent with this Order.

Based upon the foregoing, it is hereby

ORDERED, that the Commission's commercial and industrial solar rebate program shall be expanded and modified as described in the body of this Order and as summarized in the tables attached to this Order; and it is

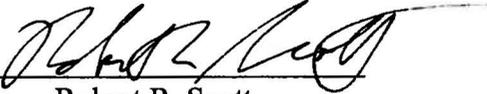
FURTHER ORDERED, that Staff is directed to implement program application submission, processing, review, and approval procedures consistent with this Order; and it is

FURTHER ORDERED, that Staff is authorized to make clerical, administrative, and other modifications to program application forms and processes without further Commission approval, provided that such modifications are consistent with this Order.

By order of the Public Utilities Commission of New Hampshire this twentieth day of February, 2015.

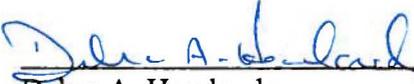


Martin P. Honigberg
Chairman



Robert R. Scott
Commissioner

Attested by:



Debra A. Howland
Executive Director

Table 1
Category 1: Smaller Solar Systems

Item No.	Terms and Conditions	Description
1.	Maximum system size	100 kilowatts AC or thermal equivalent
2.	Incentive for new solar electric	\$0.75 per watt AC or 25% of total project cost, whichever is less.
3.	Incentive for expanded solar electric	\$0.50 per watt AC or 25% of total project cost, whichever is less.
4.	Incentive for solar thermal	\$0.12/kBtu/yr for 15 or fewer collectors (\$0.07/kBtu/yr for greater than 15 collectors) or 25% of total project cost, whichever is less.
5.	Incentive for expanded solar thermal	\$0.04/kBtu/yr or 25% of total project cost, whichever is less.
6.	Maximum incentive in combination with other incentives received	Rebate in combination with other rebates or grants received from the utility or other programs, including other state, local or federal programs, shall not exceed 40% of the total cost of the system. (Does not include federal tax credits)
7.	Applicant cap	No more than 10 pending project applications, or applications for incentives in the aggregate equal to or greater than 30% of the total Category 1 budget, may be in the name of the applicant or any other entity under common ownership, whether direct or indirect, of more than 25% of outstanding equity interests, and any application that would exceed either of these limits, in whole or in part, will be denied.
8.	Installer cap	None
9.	Project \$ cap	None
10.	Required documentation for Step 1	<ul style="list-style-type: none"> • Proof that applicant is or will be a commercial customer of a provider of electricity (e.g., copy of an electric bill from the last 6 months), or proof that applicant is a multi-family residence with at least 3 units or a farm operated as a business for profit. If name on electric account and applicant name are not the same, then applicant must show that the two entities are affiliated or provide a PPA between applicant and electricity customer. • Copy of interconnection application as submitted to utility. • For business entities and other non-governmental organizations, must be registered with N.H. Secretary of State and currently in good standing at time of Step 1 application. • Energy modeling, including ideal and actual modeled production. • Shading analysis showing modeling results. • Panoramic photos at installation site. • Detailed site map/sketch or Google Earth or similar aerial photo of installation site. • System schematic and/or construction drawings.

Table 1
Category 1: Smaller Solar Systems

Item No.	Terms and Conditions	Description
		<ul style="list-style-type: none"> • Copy of signed contract between installer and applicant indicating total cost of system and capacity of system (kW DC of panels and kW AC of inverters). • Evidence of at least a five-year labor warranty. • Lease agreement, or other authorizing documentation for governmental entity property owners, between the owner of the system and the building/landowner authorizing project installation. • Information disclosing list of applicant's affiliates and direct and indirect ownership interests in applicant and its affiliates.
11.	Required documentation for Step 2	<ul style="list-style-type: none"> • Copy of final executed interconnection agreement for PV systems. • Copy of paid invoices indicating total detailed costs for parts and labor. • Copy of auditor's report of energy audit(s) conducted within the past 5 years on building(s) or other structure(s) to be served by PV or solar thermal system, representing at least 50% of electric load to be served, or five such buildings or structures, whichever is less, regardless of physical location. Energy audit report requirement may be waived if applicant can demonstrate significant investment in energy efficiency measures. • Documentation that the system is UL-certified/SRCC/STC-certified. • Pictures of the fully installed system. • Copies of all final issued project permits and approvals. • Documentation of monitoring system, if applicable. • Applicant must commit that system will not be sold or otherwise transferred, except to the host property owner or as part of a sale of the affected property, for a period of 10 years following Step 2 approval.
12.	Step 2 application deadline	6 months after date of Step 1 approval
13.	Extensions of Step 1 approval period	Must explain reason for delay and show substantial progress throughout the approval period (e.g., evidence of active interconnection study, state and local permitting activities, etc.)
14.	Transfer of funds between categories	Evaluate on a quarterly basis or as necessary.

Table 2
Category 2: Larger Solar Systems

Item No.	Terms and Conditions	Description
1.	System size	Maximum 500 kilowatts AC and greater than 100 kilowatts AC
2.	Incentive for new solar electric	\$0.65 per watt AC or 25% of total project cost, whichever is less.
3.	Incentive for expanded solar electric	\$0.30 per watt AC or 25% of total project cost, whichever is less.
4.	Maximum incentive in combination with other incentives received	Rebate in combination with other rebates or grants received from the utility or other programs, including other state, local or federal programs, shall not exceed 40% of the total cost of the system. (Does not include federal tax credits)
5.	Applicant cap	No more than 10 pending project applications, or applications for incentives in the aggregate equal to or greater than 30% of the total Category 2 budget, may be in the name of the applicant or any other entity under common ownership, whether direct or indirect, of more than 25% of outstanding equity interests, and any application that would exceed either of these limits, in whole or in part, will be denied.
6.	Installer cap	None
7.	Project \$ cap	None
8.	Required documentation for Step 1	<ul style="list-style-type: none"> • Proof that applicant is or will be a commercial customer of a provider of electricity (e.g., copy of an electric bill from the last 6 months), or proof that applicant is a multi-family residence with at least 3 units or a farm operated as a business for profit. If name on electric account and applicant name are not the same, then applicant must show that the two entities are affiliated or provide a PPA between applicant and electricity customer. • Copy of interconnection application as submitted to the utility. • Copy of documentation submitted for state and local permits and approvals. • For business entities and other non-governmental organizations, must be registered with N.H. Secretary of State and currently in good standing at time of Step 1 application. • Energy modeling, including ideal and actual modeled production. • Shading analysis showing modeling results. • Panoramic photos at installation site. • Detailed site map/sketch or Google Earth or similar aerial photo of installation site.

Table 2
Category 2: Larger Solar Systems

Item No.	Terms and Conditions	Description
		<ul style="list-style-type: none"> • System schematic and/or construction drawings. • Copy of signed contract between installer and applicant indicating total cost of system and capacity of system (kW DC of panels and kW AC of inverters). • Evidence of at least a five-year labor warranty. • Lease agreement, or other authorizing documentation for governmental entity property owners, between the owner of the system and the building/landowner authorizing project installation. • Information disclosing list of applicant's affiliates and direct and indirect ownership interests in applicant and its affiliates.
9.	Required documentation for Step 2	<ul style="list-style-type: none"> • Copy of final executed interconnection agreement. • Copy of paid invoices indicating total detailed costs for parts and labor. • Copy of auditor's report of energy audit on building(s) or other structure(s) to be served by PV system, representing at least 50% of electric load to be served, or five such buildings or structures, whichever is less, regardless of physical location. Energy audit report requirement may be waived if applicant can demonstrate significant investment in energy efficiency measures. • Documentation that the system is UL-certified/SRCC/STC-certified. • Pictures of the fully installed system. • Copies of all final issued project permits and approvals. • Documentation of monitoring system. • Applicant must commit that system will not be sold or otherwise transferred, except to the host property owner or as part of a sale of the affected property, for a period of 10 years following Step 2 approval.
10.	Step 2 application deadline	6 months after date of Step 1 approval
11.	Extensions of Step 1 approval period	Must explain reason for delay and show substantial progress throughout the approval period (e.g., evidence of active interconnection study, state and local permitting activities, etc.)
12.	Transfer of funds between categories	Evaluate on a quarterly basis or as necessary.