

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 10-212

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

Order Modifying Program Terms and Reopening Program

O R D E R N O. 26,336

March 6, 2020

This order approves modifications to the existing incentive program for solar energy projects undertaken by commercial and industrial electric customers, and reopens the program.

I. PROCEDURAL HISTORY

RSA 362-F:10, VIII authorizes the Commission to establish incentive or rebate programs and competitive grant opportunities for renewable energy projects sited in New Hampshire. In 2010, the Commission approved a commercial and industrial (C&I) solar rebate program. *See Establishing a Commercial and Industrial Renewable Energy Rebate Program*, Order No. 25,151 (October 1, 2010). The C&I Solar Rebate Program (C&I Program) provides incentive funds to C&I electric customers for solar photovoltaic and solar thermal energy projects. Program expenses are paid from the renewable energy fund (REF) created by RSA 362-F:10.

Since 2010, the C&I Program has been modified, closed, and reopened at various times due to high demand for the program and funding constraints. *See, e.g., Renewable Energy Incentive Program for C&I Solar Projects*, Order No. 25,764 (February 20, 2015) (expanding and modifying program into two categories); *Renewable Energy Incentive Program for C&I Solar Projects*, Order No. 25,878 (April 6, 2016) (reducing incentive levels); *Renewable Energy*

Incentive Program for C&I Solar Projects, Order No. 26,111 (March 8, 2018) (reducing incentive levels and reopening program).

On July 3, 2019, Staff filed a memorandum stating that it had received applications in excess of available funds. Subsequently, on the same date, the Commission issued a secretarial letter that closed the C&I Program to new applicants. The Commission stated that the C&I Program would remain closed until ordered otherwise.

On September 6, 2019, Staff filed a memorandum requesting approval of the overall REF budget for fiscal year (FY) 2020. This budget funded waitlisted C&I Program applicants, but otherwise recommended that the C&I Program remain closed to new applicants.

On September 24, 2019, the Commission held a public comment hearing on the REF budget. At that hearing, stakeholders commented on the programs, and multiple stakeholders encouraged the Commission to reopen the C&I Program. On November 6, the Commission issued a secretarial letter approving the REF budget and funding waitlisted C&I Program projects. The Commission kept the C&I Program closed to new applicants, but directed Staff to hold a technical session regarding potential modifications to the C&I Program. The Commission directed Staff to consider reducing incentive levels, tailoring funding to projects needing an incentive, and simplifying the application and review process.

Staff held a technical session on December 12, 2019; and on January 8, 2020, Staff filed a recommendation (Staff Recommendation) proposing modifications to the C&I Program, as well as a plan to reopen the program. On January 30, the Commission held a public comment hearing on Staff's recommended program modifications. On February 7, 2020, Revision Energy and Dr. Prange of the Shelburne, NH Energy Committee submitted written comments.

The Staff Recommendation, transcript of the public comment hearing, and other prior docket filings, other than any information for which confidential treatment has been requested of

or granted by the Commission, are posted on the Commission's website at:

<https://www.puc.nh.gov/Regulatory/Docketbk/2010/10-212.html>.

II. STAFF'S RECOMMENDATION

According to Staff, the total funding available for the C&I program in FY 2020 is approximately \$680,000. Staff recommended reopening the program for new applicants, subject to proposed program modifications. Based on the limited funding and anticipated high demand, Staff proposed reducing the incentive amount to \$0.20 per watt, with an overall maximum of \$10,000. Staff stated that the reduced incentive level and maximum rebate amount should allow a greater number of projects to participate in the program.

Staff recommended program changes to facilitate efficient application processing, effectively manage the application queue, and restrict applications to "shovel-ready" projects. Those recommendations included: (1) requiring applicants to demonstrate that their interconnection application has been received by the utility; (2) limiting applicant project extensions to a one-time only extension of not more than two months; (3) releasing expired project funds for reservation immediately upon expiration of the rebate commitment period; (4) establishing a single two-week communications period with the applicant to address incomplete applications; and (5) denying applications that are incomplete.

Staff recommended program changes to ensure that program funding is directed toward projects that need incentives. Those recommendations included requiring applications from third party-owned projects to include a letter of acknowledgement and consent from the site owner; and requiring projects that receive a C&I program rebate to acknowledge the REF as a source of funds used in any literature, press release, or public discussion of the project.

Staff recommended program changes to simplify the application process and reduce administrative burdens on applicants. Those changes included: (1) eliminating the requirement

for both the applicant and installer to initial thirty-five boxes on the Step 1 application, instead requiring a certification that both the applicant and installer have read, understand, and agree to all terms and conditions; (2) requiring applicants to demonstrate New Hampshire Class II REC certification with their Step 2 rebate applications; and (3) reviewing applications in the order of their queue positions, with active applications being approved or denied within 60 days of being deemed complete.

Staff recommended that the program modifications become effective on a specified future date. Staff recommended that projects that were installed and operational prior to the effective date should not be eligible for incentives through the modified C&I Program. Staff recommended that the Commission approve a lottery and queue position determination process to be implemented following the re-opening of the program.

III. PUBLIC COMMENTS

A. ReVision Energy

ReVision Energy (ReVision) stated that Staff's proposed changes are reasonable and will positively impact small scale C&I Project beneficiaries. ReVision made recommendations relating to specific components of Staff's recommendations.

With respect to Staff's recommendation that project deadline extensions be limited to a one-time only two-month extension, ReVision recommended additional flexibility. ReVision stated that projects may encounter delays that are beyond the applicant's control, and that losing the rebate would impose a significant hardship. ReVision proposed language allowing further extensions where extenuating circumstances and the applicant's full compliance with program terms can be demonstrated.

In regard to incentive amounts, ReVision recommended a tiered system designed to increase the incentive if additional funding is allocated to the C&I Program. ReVision proposed

maintaining the \$10,000 rebate cap if FY funding is less than \$1,500,000, but increasing the cap if more funds are available. Under ReVision's proposal, the rebate cap would increase to \$20,000 if funding increased to an amount from \$1,500,000 to \$3,000,000. Additionally, ReVision proposed increasing the cap to \$30,000 if funding exceeded \$3,000,000. ReVision argued that its proposal would balance rebate certainty with the need for non-trivial funding levels for certain projects. ReVision cited policies and factors that it asserts support its conclusion that higher project caps will benefit small businesses and community institutions. ReVision also provided supporting information in the form of C&I Program statistics.

B. Dr. Prange

Dr. Prange commented on the importance of the Solar Incentive Program on small community projects, like one that the Shelburne Energy Committee is considering. Dr. Prange stated that the rebate program is crucial because it makes it possible to reduce energy expenses in a project's first year. Dr. Prange argued that incentives make it more likely that a project will receive community support by reducing the payback period.

IV. COMMISSION ANALYSIS

We have reviewed Staff's proposed modifications to the C&I Program, as well as the comments received from stakeholders. We find that modifications to the program are warranted based on the continuing levels of program interest, budgetary limitations, and the interest of administrative efficiency. We approve and adopt Staff's proposed modifications to the program, subject to the adjustments discussed below.

Staff proposed to limit time extensions for approved applications to a one-time only extension not to exceed two months. We acknowledge ReVision's position that more flexibility is warranted where project delays are outside the applicant's control. We find that utility-caused interconnection delays may justify an additional deadline extension. In such circumstances, we

authorize a deadline extension for the amount of time necessary for the distribution utility to complete interconnection of the project. Beyond that limited exception, we are not persuaded that extensions in excess of Staff's proposed single two-month term are necessary.

We decline to adopt ReVision's proposed tiered rebate amount cap. We will address program changes based on further funding variances if and when they arise.

The modified program terms and conditions approved in this order will become effective on March 16, 2020, and the program will reopen on that date. All applications received on or after that date will be processed under the program terms and conditions as modified by this order. Projects that are installed and become operational prior to March 16, 2020, will not be eligible for the modified program's incentives.

In anticipation of strong demand for the reopened program, we direct Staff to conduct a public lottery to allocate initial queue positions for applications. The deadline for applications to be included in the lottery shall be the close of business (4:30 p.m.) on April 17, 2020. The lottery will be held on April 21, 2020, at 1:00 p.m. at the Commission and will be open to the public. If it becomes apparent that the aggregate amount of new project incentives applied for will not exceed available program funds, then the lottery will be cancelled.

As we have found in the past, a lottery is an orderly and equitable method of administering applications for a limited amount of funds. We encourage Staff to continue to utilize an automated process to conduct the lottery. Notwithstanding an application's initial or subsequent queue position in the lottery, incentive funds will be reserved and ultimately paid to the project owner only if budgeted monies are available for such reservation and payment. If the initial application and lottery process results in a significant number of waitlisted applications, we may have to once again close the program to new applications.

We therefore 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 forms and processes without further Commission approval, provided that such modifications are consistent with this order.

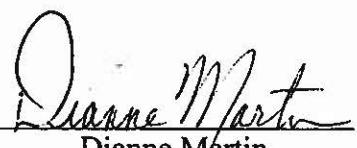
Based upon the foregoing, it is hereby

ORDERED, that the Commission's Commercial and Industrial Solar Rebate Program shall be modified as described in the body of 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.

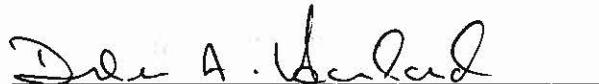
By order of the Public Utilities Commission of New Hampshire this sixth day of March, 2020.


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Dianne Martin
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