

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 22-004

CLEAN ENERGY FUND

Order *NISI* Approving Department of Energy Program Recommendations

O R D E R N O. 26,720

November 10, 2022

This order *nisi* approves a Low-Moderate Income Program for Residential Customers and Financing Program for C&I Customers for inclusion within the Clean Energy Fund and provides further guidance to parties relating to the administration of the Clean Energy Fund, following the re-hearing on May 19, 2022, and the issuance of Order No. 26,636 (June 7, 2022), and an associated procedural order.

I. BACKGROUND

On March 21, 2022, the Office of the Consumer Advocate (OCA), the New Hampshire Department of Energy (DOE), Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource), Clean Energy New Hampshire, and the Conservation Law Foundation, (collectively, Moving Parties) jointly filed a Motion for Rehearing of Order No. 26,577 (Motion), which had been issued by the Commission in Docket Nos. DE 11-250 and DE 14-238 on February 4, 2022, on a *nisi* basis with an effective date of March 4, 2022. (Order No. 26,577 closed the consolidated DE 14-238 and DE 11-250 dockets and opened the DE 22-004 proceeding for consideration of the matters arising from the Clean Energy Fund). The Motion was ruled upon by the Commission in Order No. 26,600 on March 31, 2022, in which the Commission granted rehearing on May 19, 2022. Following the rehearing, the Commission issued Order No. 26,636 on June 7, 2022, delineating guidance to parties relating to the administration of the Clean Energy Fund going forward.

On August 1, 2022, the Commission issued a procedural order, pursuant to the terms of Order No. 26,636, requesting that the DOE provide its proposed procedural schedule and recommendations for this matter by August 31, 2022.

On August 31, 2022, the DOE filed a letter delineating the developments in the previously approved programs (those relating to an On-Bill Financing Arrangement for Residential Customers; a Battery Rebate Program for Residential Customers; and an Energy Storage Rebate Program for Commercial and Industrial (C&I) Customers). The DOE also recommended, after consultation with interested stakeholders, that the Commission approve two more programs for funding by the Clean Energy Fund. The DOE first proposed that a Low-Moderate Income Program for Residential Customers (LMI Program), with \$750,000 in funding, be approved, which would be used primarily to buy down the cost of solar photovoltaic (PV) projects, battery/storage systems, and other technologies such as air source heat pumps (and ancillary or associated energy efficiency measures), to the extent they are not otherwise fully funded by State programs. See DOE Letter of David K. Wiesner, August 31, 2022 (DOE Letter), at Page 1. This program would be implemented by the Community Development Finance Authority (CDFA). *Id.*

The DOE indicated that the LMI Program within the Clean Energy Fund would be limited to: (1) projects located in Eversource's service territory; (2) projects supporting affordable housing and potentially also transitional house or community facilities; (3) projects supporting LMI residents as determined by an income survey or other documentation used by CDFA to determine benefits for LMI residents; (4) grants or credit enhancements which would reduce the cost of solar projects (e.g., by replacing the investment tax credit/accelerated depreciation value) or other clean energy technologies; and (5) projects which would be located on or within sight of the

beneficiary property and/or provide a strong educational component connecting LMI beneficiaries with the project. DOE Letter at 2. The DOE further explained that the Clean Energy Fund monies for the LMI Program would primarily be used to complement existing programs benefitting LMI residents; accordingly, DOE expected that administrative costs for new program development should be limited. The DOE estimated that the allocated Clean Energy Funding for the LMI Program could support approximately seven (7) solar PV projects under 100 kW each, with grants covering approximately 35 percent of project costs. DOE anticipated that the funding would be expended over a 3-to-5-year period. Further details regarding the LMI Program would be developed by CDFA in collaboration with DOE, Eversource, and interested stakeholders. *Id.* DOE also stated that DOE, Eversource, and other stakeholders concluded that, given the relatively small amount of funding available and the potential challenges of LMI Program project funding, it was preferable to select the CDFA proposal rather than issuing a request for proposals (RFP) or engaging in some other type of competitive solicitation process to select a program sponsor or administrator. *Id.*

The DOE, Eversource, and other stakeholders also proposed that a Financing Program for C&I Customers, with \$1,600,000 in funding, be established, through the issuance of an RFP, to competitively solicit proposals to provide financing for Eversource C&I customer projects. DOE Letter at 2. Projects eligible for financing support would include customer costs for projects such as, but not limited to, solar PV, air-source heat pumps, and battery/storage systems, to the extent that they are not otherwise fully funded by other State programs. *Id.* DOE indicated that Clean Energy Fund monies could be used to support interest rate buydowns for third-party project financing, revolving loans for eligible projects, or other alternative approaches

designed to reasonably maximize the benefits of financing support. *Id.* at 3. DOE expected that the third-party RFP proposers would perform loan underwriting and administration functions, while loan repayment could be made through Eversource on-bill processes or other mechanisms. *Id.* DOE also anticipated that an RFP would be further developed with stakeholder input and issued within 30 days of Commission approval of the program design. DOE concluded its recommendations for approval of these two Clean Energy Fund programs with a statement that the programs would meet all four of the approval criteria as set forth in the 2015 Settlement Agreement by: (1) supporting innovation in achieving clean energy benefits; (2) leveraging various sources of funds, including attracting private capital to the fund and to programs supported by the fund; (3) expanding access to clean energy technologies across customer classes in a cost-effective manner; and (4) avoiding undue costs. *Id.* No further comments were submitted regarding the DOE's recommendations in this docket.

Order No. 26,636, and the various docket filings for this proceeding, including the DOE Letter, are posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-004.html>

II. COMMISSION ANALYSIS

We have reviewed the DOE's recommendations, which we presume are supported by the other stakeholders active in this docket, including Eversource. We concur with the DOE that our approval of the LMI Program and the C&I Financing Program would meet the parameters for approval under the 2015 Settlement Agreement, and generally serve to policy goals underlying the Clean Energy Fund.

We approve these program proposals as presented. We note however, as with all other Clean Energy Fund programs, that our approval extends only to the expenditure

of the one-time allowance of funding (\$2,350,000) by the Clean Energy Fund to these programs.

Aside from these updates and directives, we leave the provisions of Order No. 26,577 and Order No. 26,636 intact. In particular, we reinforce the annual reporting requirements set up in Order No. 26,636, which specify that annual reports regarding these programs shall be made on May 1 of each year, beginning on May 1, 2023, with audits by the DOE of these annual reports submitted to the Commission by June 1 of each year, beginning on June 1, 2023. Order No. 26,636 at 3. This Docket No. DE 22-004 will remain open to receive these reports and to serve as the reference point for further Commission review and decision-making.

In light of a hearing having been held on May 19, 2022, in this matter, the request by the parties in their August 31, 2022 letter, and the ongoing oversight by the Commission and DOE of this special program related to the 2015 Settlement Agreement, we hereby issue this approval by a *nisi* Order, effective immediately, subject to the terms and conditions herein.

Based upon the foregoing, it is hereby

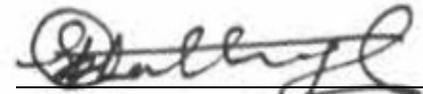
ORDERED *NISI*, that the LMI Program and C&I Financing Program recommended by the New Hampshire Department of Energy for inclusion within the Clean Energy Fund are APPROVED; and it is

FURTHER ORDERED *NISI*, that the administration of the Clean Energy Fund proceed according to the steps outlined in this order.

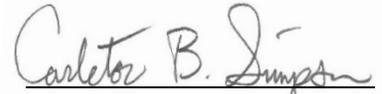
By order of the Public Utilities Commission of New Hampshire this tenth day of
November, 2022.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 22-004

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