

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 16-576

**Development of New Alternative Net Metering Tariffs and/or
Other Regulatory Mechanisms and Tariffs for Customer-Generators**

Order on Motion to Continue Suspension of Low-Moderate Income Solar Pilots

O R D E R N O. 26,594

March 25, 2022

In this order the Commission suspends the deadline for developing utility administered low-moderate income solar pilots, in order to allow the competitive market to produce similar projects administered by third parties.

I. PROCEDURAL HISTORY

On July 1, 2021, Public Service Company of New Hampshire d/b/a/ Eversource Energy (Eversource), Utilil Energy Systems, Inc. (Utilil) and Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty) (collectively the Utilities) filed status update letters concerning the development of low-moderate income (LMI) solar projects in their service territories. On September 21, 2021, the Department of Energy (NHDOE), filed a motion requesting that the Commission continue the suspension of electric distribution utility LMI solar pilot program development until July 1, 2022. On October 1, 2021, the Utilities filed a joint technical statement describing the proposed design of an LMI solar pilot.

II. BACKGROUND

On October 8, 2019, in Order No. 26,297, the Commission suspended the requirement for electric distribution utilities to develop LMI solar pilot programs for a period of two years, until July 1, 2021. The suspension was designed to avoid potential duplication with recently-enacted statutory amendments before the market

had an opportunity to respond to those legislative initiatives, including Senate Bill 165, enacted as 2019 N.H. Laws Chapter 271 (SB 165) (net metering adder provided to eligible LMI solar project group hosts and members) and Senate Bill 129, enacted as 2017 N.H. Laws Chapter 226 (SB 129) (percentage of Renewable Energy Fund to be used for projects directly benefiting LMI project participants).

Order No. 26,297 further provided that, if by July 1, 2021, at least two LMI community solar projects had not been developed in a utility's service territory, then the utility would be required to file by October 1, 2021, a pilot program proposal meeting the criteria specified in Order No. 26,029 (June 23, 2017).

2019 SB 165, later codified at RSA 362-A:9, XIV(c), created a net metering adder specifically for LMI community solar projects (SB 165 adder). The SB 165 adder consisted of a three cent per kilowatt-hour (kWh) credit from 2019 to July 2021, and a two and a half cent per kWh credit thereafter. On or before July 1, 2022, the NHDOE is required to report to the legislature on the progress of projects throughout the state, at which time the legislature will determine if the SB 165 adder should be adjusted up or down, depending on the success of project development statewide. Additionally, RSA 362-A:9, XIV(c) directs the Department of Energy (NHDOE) to "authorize at least 2 new low-moderate income community solar projects, as defined in RSA 362-F:2, X-a, each year in each utility's service territory beginning January 1, 2020."

With the passage of SB 165, the Commission found that the directive of Order No. 26,029 regarding LMI pilot programs was duplicative of other LMI programs and issued Order No. 26,297 (October 8, 2019) suspending the utility pilot program effort for two years, 2019 to 2021. The suspension was designed to allow the market to develop projects qualifying for the SB 165 adder. On July 1, 2021, each utility was to file a status report of the SB 165 adder-eligible projects within its service territory.

Across all three utility service territories, on July 1, 2021, only one project, located in Eversource's service territory, existed. As a result, pursuant to Order No. 26,297, the Utilities filed a technical statement on October 1, 2021, describing the proposed LMI pilots.

III. POSITIONS OF THE PARTIES

A. Utilities

The Utilities' joint technical statement describes a proposed LMI solar pilot to be administered by each of the Utilities in its respective service territory. In the technical statement, Eversource described the results of a request for information (RFI) that it had submitted to solar developers and stakeholders in the region. The participants described some common impediments to developing LMI solar projects. Among those barriers were, challenges with identifying and acquiring income-eligible customers, finding organizations willing to act as group hosts, and the need to engage a broad range of partners in order to complete LMI community solar projects.

The Utilities proposed to issue a request for proposal (RFP) annually for three years in each of their service territories, for low-income group net metering solar projects. Each utility proposed a goal of procuring two low-income group net metering solar projects from each RFP. The RFP process would allow each utility to formally evaluate project proposals for compliance with the N.H. Code of Admin. R., Puc 900 rules and the benefits the project could deliver to low-income participants, as well as to perform a technical review of the project's viability. The Utilities proposed to publicly administer their RFPs and to establish a standard format for analyzing and answering RFP bids. Successful bidders would execute a master agreement with the Utility for customer enrollment and management services.

According to the Utilities, they can identify income-eligible customers based on their participation in the Electric Assistance Program (“EAP”), as well as verify each customer’s account status. By leveraging utility databases to enroll income-eligible participants, the effort and cost for developers and group hosts to identify and recruit customers to participate in low-income group net metering solar projects would be reduced.

The Utilities propose to limit participation in the pilot program to low-income customers that meet the eligibility requirements of the EAP in order to reduce the administrative costs of the pilot and to ensure the benefits of the pilot are directed to customers most in need. The Utilities do not currently have processes in place to identify moderate-income customers, so including such customers in the pilot would require the development of new income-verification processes that would increase the cost of operating the pilot.

B. NHDOE

NHDOE argued that there is no compelling reason for LMI solar pilot programs to be developed and implemented by the utilities at this time. The provisions of the Puc 900 rules specifying the criteria and process for determining eligibility of LMI community solar projects under SB 165 only became effective on September 14, 2020. The LMI adder, available to eligible projects under SB 165 and the Puc 900 rules, is expected to be used by a number of projects, including three recipients of grants funded by the Renewable Energy Fund (REF). According to NHDOE, that grant program, required by statute to be funded with at least 15 percent of available REF funds, has proven successful in enabling eligible LMI solar project development.

It is unclear to NHDOE whether there actually is additional unmet demand for LMI solar project development. The NHDOE is also concerned about the additional

costs of utility pilot program development to meet such uncertain demand. According to NHDOE, the Utilities will likely seek recovery of those costs from their ratepayers, and any resulting rate increases will be paid by all customers, including LMI customers who do not participate in the limited solar project funding opportunities. For these reasons, the NHDOE requested that the Commission approve a further suspension of the LMI pilot program development obligation until July 1, 2022.

C. Liberty

Liberty indicated that it does not object to a further suspension of the LMI solar pilot program development obligation.

D. Unitil

Unitil did not object to a further suspension of the LMI solar pilot program development obligation, but it would prefer that the deferral remain open-ended such that any future proposal could be filed before the extended deadline.

E. Eversource

Eversource would support an extension of the filing deadline for the LMI solar pilot, with the option to file a proposed pilot program at any time prior to the extended deadline.

IV. COMMISSION ANALYSIS

We review the Utilities' proposal as well as the NHDOE's request to continue our suspension of the LMI solar pilots, pursuant to RSA 362-A:9, the statute creating the net metering framework and the incentives for community LMI solar projects in New Hampshire.

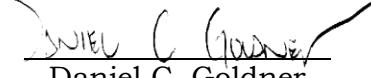
Given the market disruption due to the Covid 19 pandemic over the past two years, as well as the continued development of LMI solar projects utilizing REF funds, we agree with NHDOE's observation that there is a potential for duplicative programs.

We also observe that utility-administered programs may add costs to ratepayers that can be avoided by LMI community solar projects developed by third-party market participants. Therefore, we will continue the current suspension of the obligation for the Utilities to develop LMI community solar pilots. We will await the report by NHDOE due to the legislature on or before July 1, 2022, pursuant to RSA 362-A:9, XIV (c)(2). Once we have received and considered the NHDOE report, we will take appropriate action regarding the utility sponsored LMI community solar pilot. We request that NHDOE file its report to the legislature simultaneously with the Commission in this docket when it is issued.

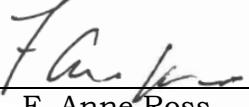
Based upon the foregoing, it is hereby

ORDERED, that the Utilities' LMI community solar pilot program development obligation is hereby suspended until further Commission order.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of March, 2022.



Daniel C. Goldner
Chairman



F. Anne Ross
Commissioner

Service List - Docket Related

Docket# : 16-576

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