

STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

Docket No. DE 10-XXX

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE'S PETITION
FOR AN ADJUDICATORY PROCEEDING RE: NET METERING AND
2010 N. H. LAWS CHAPTER 143

Pursuant to N.H. Code Admin. Rules Puc § 202.01(a) and § 203.06, Public Service Company of New Hampshire (PSNH) hereby submits its request for the New Hampshire Public Utilities Commission (Commission) to conduct an adjudicatory proceeding pursuant to RSA 541-A:31 to implement the changes required and consider new tariff filings contemplated by the passage of amendments to the net metering law RSA 362-A:9 contained in 2010 NH Laws Chapter 253. In support of its Petition, PSNH says the following:

1. On June 14, 2010 House Bill 1353 was adopted as 2010 N.H. Laws Chapter 143. The law becomes effective today. This law changes the way in which the distribution utilities deal with independent small scale power producers who wish to utilize net metering.

2. The new law calls for standard tariffs to be filed "in accordance with net metering rules adopted and orders issued by the commission." RSA 362-A:9, I. PSNH believes those tariffs must await rules yet to be promulgated (RSA 362-A:9, X) and orders of the Commission as the existing Chapter Puc 900 Rules apply only to interconnection of generators with a capacity of 100 kilowatts or less. The issues which the new law raises may include, but are not limited to, standards for interconnection, how customer generators are paid or credited for the excess energy delivered to the distribution utility's distribution system, and how the utilities may

calculate the net effect of the net metering law on its distribution revenues and expenses. There may also be utility specific implementation issues which require adjudication after notice and hearing, such as the application of PSNH's tariff standard Backup Delivery Service Rate B. RSA 362-A:9, XI.

3. If the Commission grants this petition and schedules a prehearing conference pursuant to N.H. Code Admin. Rule Puc 203.15, PSNH respectfully suggests that the Commission notify interested persons that they should be ready to address at the prehearing conference the issue of addressing interconnection requests and net metering issues during the pendency of these proceedings. Eligible customer generators sized at 100 kilowatts and below can be interconnected under the existing Chapter 900; however, certain features of the new law are not addressed in the existing version, e.g. how customer generators are paid or credited for the excess energy delivered to the distribution utility's distribution system. Customer generators sized between 100 and 1,000 kilowatts present more complex interconnection and billing/credit issues which may need to be addressed fully before those customer generators can be interconnected.

WHEREFORE PSNH requests the Commission to open a proceeding, schedule a hearing in order to begin the process of implementing 2010 N.H. Laws Chapter 143, and order such further relief as may be just and equitable.

Respectfully submitted,

Public Service Company of New Hampshire

August 13 2010
Date

By: Gerald M. Eaton
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CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, I caused the attached Petition for Adjudicatory Proceeding Re: Net Metering and 2010 N. H. Laws Chapter 253 to be hand delivered or sent pursuant to N.H. Code Admin. Rule Puc § 203.02 and § 203.11, to the persons listed on the attached Service List.

August 13, 2010
Date

Gerald M. Eaton
Gerald M. Eaton

CHAPTER 143

HB 1353 – FINAL VERSION

03Mar2010... 0690h

05May2010... 1677eba

2010 SESSION

10-2348

06/10

HOUSE BILL ***1353***

AN ACT relative to group net energy metering.

SPONSORS: Rep. S. Harvey, Hills 21; Rep. Pastor, Graf 9; Rep. Butcher, Ches 3; Rep. Townsend, Graf 10; Sen. Fuller Clark, Dist 24; Sen. Merrill, Dist 21

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill modifies certain procedures and rules related to net energy metering.

Explanation: Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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10-2348

06/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Ten

AN ACT relative to group net energy metering.

Be it Enacted by the Senate and House of Representatives in General Court convened:

143:1 Declaration of Purpose. Amend RSA 362-A:1 to read as follows:

362-A:1 Declaration of Purpose. It is found to be in the public interest to provide for small scale and diversified sources of supplemental electrical power to lessen the state's dependence upon other sources which may, from time to time, be uncertain. It is also found to be in the public interest to encourage and support diversified electrical production that uses indigenous and renewable fuels and has beneficial impacts on the environment and public health. It is also found that these goals should be pursued in a competitive environment pursuant to the restructuring policy principles set forth in RSA 374-F:3. It is further found that net energy metering for eligible customer-generators may be one way to provide a reasonable opportunity for small customers to choose interconnected self generation, encourage private investment in renewable energy resources, stimulate in-state commercialization of innovative and beneficial new technology, enhance the future diversification of the state's energy resource mix, and reduce interconnection and administrative costs. ~~[However, due to uncertain cost and technical impacts to electric utilities and other ratepayers, the general court finds it appropriate to limit the availability of net energy metering to eligible customer-generators who are early adopters of small-scale renewable electric generating technologies.]~~

143:2 Definitions. Amend RSA 362-A:1-a, II-b to read as follows:

II-b. "Eligible customer-generator" *or* "**customer-generator**" means an electric utility customer who owns ~~[and]~~ *or* operates electrical generating facilities powered by renewable energy with a total peak generating capacity of not more than 100 kilowatts, ***or that first begins operation after July 1, 2010 and has a total peak generating capacity of 100 kilowatts or more up to one megawatt,*** that is located ***behind a retail meter*** on the customer's premises, is interconnected and operates in parallel with the electric grid, and is ~~[intended primarily]~~ ***used in the first instance*** to offset ~~[part or all of]~~ the customer's own electricity requirements.

143:3 Net Energy Metering. RSA 362-A:9 is repealed and reenacted to read as follows:

362-A:9 Net Energy Metering.

I. Standard tariffs providing for net energy metering shall be made available to eligible customer-generators by each electric distribution utility in conformance with net metering rules adopted and orders issued by the commission. Each net energy metering tariff shall be identical, with respect to rates, rate structure, and charges, to the tariff under which a customer-generator would otherwise take default generation supply service from the distribution utility. Such tariffs shall be available on a first-come, first-served basis within each electric utility service area under the jurisdiction of the commission until such time as the total rated generating capacity owned or operated by eligible customer-generators totals a number equal to 50 megawatts multiplied by each such utility's percentage share

of the total 2010 annual coincident peak energy demand distributed by all such utilities as determined by the commission.

II. Competitive electricity suppliers registered under RSA 374-F:7 may determine the terms, conditions, and prices under which they agree to provide generation supply to and purchase net generation output from eligible customer-generators.

III. Metering shall be done in accordance with normal metering practices. A single net meter that shows the customer's net energy usage by measuring both the inflow and outflow of electricity internally shall be the extent of metering that is required at facilities with a total peak generating capacity of not more than 100 kilowatts. A bi-directional metering system that records the total amount of electricity that flows in each direction from the customer premises, either instantaneously or over intervals of an hour or less, shall be required at facilities with a total peak generating capacity of more than 100 kilowatts. Customer-generators shall not be required to pay for the installation of net meters, but shall pay for the installation of all bi-directional metering systems as outlined in utility interconnection tariffs or rules.

IV.(a) For facilities with a total peak generating capacity of not more than 100 kilowatts, when billing a customer-generator under a net energy metering tariff that is not time-based, the utility shall apply the customer's net energy usage when calculating all charges that are based on kilowatt hour usage. Customer net energy usage shall equal the kilowatt hours supplied to the customer over the electric distribution system minus the kilowatt hours generated by the customer-generator and fed into the electric distribution system over a billing period.

(b) For facilities with a total peak generating capacity of more than 100 kilowatts, the customer-generator shall pay all applicable charges on all kilowatt hours supplied to the customer over the electric distribution system, less a credit on default service charges equal to the metered energy generated by the customer-generator and fed into the electric distribution system over a billing period.

V. When a customer-generator's net energy usage is negative (more electricity is fed into the distribution system than is received) over a billing period, such surplus shall either:

(a) Be credited to the customer-generator's account on an equivalent basis for use in subsequent billing cycles as a credit against the customer's net energy usage or bill in a manner consistent with either subparagraph IV(a) or IV(b), as applicable; or

(b) Except as provided in paragraph VI, the customer-generator may elect to be paid or credited by the electric distribution utility for its excess generation at rates that are equal to the utility's avoided costs for energy and capacity to provide default service as determined by the commission consistent with the requirements of the Public Utilities Regulatory Policy Act of 1978 (PURPA). The commission shall determine reasonable conditions for such an election, including the frequency of payment and how often a customer-generator may choose this option versus the option in subparagraph (a).

VI. Instead of the option in subparagraph V(b), an electric distribution utility providing default service to customer-generators may voluntarily elect, annually, on a generic basis, by notification to the commission, to purchase or credit such excess generation from customer-generators at a rate that is equal to the generation supply component of the applicable default service rate, provided that payment is issued at least as often as whenever the value of such credit, in excess of amounts owed by the customer-generator, is greater than \$50.

VII. A distribution utility may perform an annual calculation to determine the net effect this section had on its default service and distribution revenues and expenses in the prior calendar year. The method of performing the calculation and applying the results, as well as a reconciliation mechanism to collect or credit any such net effects with appropriate carrying charges and credits applied, shall be determined by the commission.

VIII. Notwithstanding other provisions of this section, the commission may establish, on a utility-specific or generic basis, a methodology by which customer-generators may be provided service under time-based, net energy metering tariffs. The methodology shall specify how a customer's energy usage and generation shall be metered, how net energy usage shall be calculated and any applicable charges applied, and how excess generation shall be credited, consistent with size limits and the terms and conditions and intent of this section and other requirements of state and federal law.

IX. Renewable energy credits shall remain the property of the customer-generator until such credits are sold or transferred. If an electric distribution utility acquires renewable energy credits from a customer-generator in conjunction with purchasing excess generation, it may apply such generation and credits to its renewable energy source default service option under RSA 374-F:3, V(f).

X. The commission shall adopt rules, pursuant to RSA 541-A, to:

(a) Establish reasonable interconnection requirements for safety, reliability, and power quality as it determines the public interest requires. Such rules shall not exceed applicable test standards of the American National Standards Institute (ANSI) or Underwriters Laboratory (UL); and

(b) Implement the provisions of this section.

XI. The commission may by order, after notice and hearing:

(a) Waive any of the limitations set forth in this chapter for targeted net energy metering arrangements that are part of a utility strategy to minimize distribution or other costs; and

(b) Implement any utility-specific provisions authorized under this section.

XII. Once the commission has established standards for equipment used by eligible customer-generators, electric distribution utilities shall not require any additional

standards or testing for transmission equipment as a condition of net energy metering.

XIII. Customer-generators shall be responsible for all costs associated with interconnection with the distribution system.

143:4 Renewable Energy Fund. Amend RSA 362-F:10, IV to read as follows:

IV. The commission shall make an annual report by October 1 of each year, beginning in 2009, to the legislative oversight committee on electric utility restructuring under RSA 374-F:5 detailing how the renewable energy fund is being used and any recommended changes to such use. ***The report shall also include information on the total peak generating capacity that is net energy metered under RSA 362-A:9 within the franchise area of each electric distribution utility, and the percentage this represents of the amount that is allowed to be net metered within each franchise area.***

143:5 Small Wind Energy Systems; Definitions. Amend RSA 674:62, I to read as follows:

I. "Small wind energy system" means a wind energy conversion system consisting of a wind turbine, a tower, and associated control or conversion electronics, which has a rated capacity [~~consistent with the net metering specifications of RSA 362-A:9~~] ***of not more than 100 kilowatts*** and which will be used [~~primarily~~] ***in the first instance*** for onsite consumption.

143:6 Effective Date. This act shall take effect 60 days after its passage.

Approved: June 14, 2010

Effective Date: August 13, 2010