

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

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September 24, 2019 - 1:11 p.m.
Concord, New Hampshire

NHPUC 11OCT19AM10:57

RE: **DE 10-024 RENEWABLE ENERGY
INCENTIVE PROGRAMS:**
Renewable Energy Incentive Programs.
DE 10-212 ELECTRIC UTILITIES:
Establishing a Commercial and
Industrial Renewable Energy Rebate
Program.
DE 13-298 RENEWABLE ENERGY FUND:
Renewable Energy Incentive Program
for Commercial and Industrial Bulk
Fuel-Fed Wood Pellet Central
Heating Systems.
DE 15-302 ELECTRIC UTILITIES:
Residential Renewable Electric
Generation Incentive Program.
DE 17-172 ELECTRIC UTILITIES:
Development of Renewable Energy Fund
Programs for Low and Moderate Income
Residential Customers under Senate
Bill 129 of 2017.
(Hearing to receive public comment.)

PRESENT: Cmsr. Michael S. Giaimo, Presiding
Cmsr. Kathryn M. Bailey

Sandy Deno, Clerk

APPEARANCES: (No appearances taken)

Court Reporter: Steven E. Patnaude, LCR No. 52

**CERTIFIED
ORIGINAL TRANSCRIPT**

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P R O C E E D I N G

1
2 CMSR. GIAIMO: Good afternoon. We're
3 here in Dockets DE 10-024, 10-212, DE 13-298,
4 DE 15-302, and DE 17-172. And we're going to
5 take public comments relative to Staff's
6 recommended program funding allocations and
7 recommended program-specific actions relative
8 to the Renewable Energy Fund for fiscal year
9 2020.

10 Before we begin, I'm going to ask
11 Staff for a brief update on their
12 recommendations.

13 Before we turn to Staff, I'll note
14 that, in addition to today's public comment
15 hearing, we'll take written comments up through
16 September 30th. And I am aware of one written
17 comment submitted to date, and it was from
18 Mr. Paul Schlie.

19 Is Mr. Schlie here?

20 *[No verbal response.]*

21 CMSR. GIAIMO: Okay. And he's with
22 the New Hampshire Commercial Solar Energy
23 Systems. And we received that.

24 Mr. Wiesner, maybe you could start us

1 by setting the scene with respect to Staff's
2 recommendations. Then, we'll turn to the
3 public.

4 MR. WIESNER: Thank you, Commissioner
5 Giaimo. I just want to give a brief overview
6 of Staff's Recommendation, and what we see as
7 the purpose of today's hearing.

8 Staff has recommended some specific
9 program funding allocations for this fiscal
10 year, and in conjunction with closure of two of
11 the approved programs for this fiscal year.
12 And I do want to note that it's not the normal
13 practice of the Commission to approve program
14 funding allocations or program closures after a
15 public hearing such as this. But the changes
16 that are proposed this year are significant
17 enough that Staff believed it made sense to
18 solicit and receive public input, and that's
19 the purpose of today's hearing.

20 I'll also note that, in Staff's
21 Recommendation memo, there were some
22 suggestions for future program changes, but
23 those program modifications would require, in
24 our view, a separate process. Specific

1 proposed modifications would be circulated
2 through a Staff Recommendation memorandum.
3 There would most likely be another public
4 comment hearing such as this, focused on those
5 specific recommendations. And then, as has
6 been the practice, a Commission order would
7 approve modifications to the programs and a new
8 implementation date for those changes.

9 So, I offer that, by way of
10 background, to suggest to the speakers today
11 that the focus of this hearing really is on the
12 program funding allocations and the program
13 closures, and that we don't see this as the
14 proper forum for specific recommendations of
15 program modifications. We intend to work with
16 stakeholders during the course of this fiscal
17 year to discuss any proposed modifications to
18 those specific programs.

19 With that, I will turn the mike over
20 to Karen Cramton, the Director of our
21 Sustainable Energy Division, for a somewhat
22 more detailed summary of the specific
23 recommendations that we're offering today.

24 DIR. CRAMTON: Good afternoon. I'm

1 going to take a few minutes to set the stage on
2 the Renewable Energy Fund, talk a bit about the
3 revenues that came in, along with the
4 requirements, and a little bit of detail as to
5 our recommendations, and why we made those
6 recommendations.

7 So, for calendar year 2018, which was
8 the most recent compliance year, we received or
9 the Renewable Energy Fund received revenues of
10 approximately \$2.6 million. There were
11 additional revenues received into the Renewable
12 Energy Fund this year. Those consisted of a
13 reimbursement from Tri-County Community Action
14 Agency, reimbursement from the Site Evaluation
15 Committee, and interest for the Renewable
16 Energy Fund.

17 When you take into consideration
18 those additional funds, along with unreserved
19 funds, this year's program budget, so, fiscal
20 year 2020's program budget, equals
21 approximately \$4.2 million. Staff put together
22 their recommendations based on the
23 \$4.2 million, but also noted that the ACPs for
24 this upcoming fiscal year were very -- were

1 low, much lower than in previous years. So, we
2 felt that planning and possible program changes
3 were also necessary.

4 So, I would like to take a couple
5 minutes to review the statutory obligations
6 that go behind the budget allocations.

7 First of all, Class II alternative
8 compliance payment monies must be primarily
9 used to support solar. In calendar year or
10 compliance year 2018, the Class II ACPs equaled
11 approximately \$3,000. In this budget before
12 you, and that was recommended by Staff, we have
13 allocated more than \$3,000 to solar projects.
14 No more than 40 percent, over a two-year
15 period, may be used for the Residential Solar
16 Program. Over the two-year period, we've
17 allocated approximately 25 percent of the
18 funding to that program, so that requirement
19 has been met.

20 The fund is supposed to be balanced
21 across sectors. That's the residential and
22 non-residential sectors. That current
23 allocation split is 42 percent
24 residential/58 percent non-residential. The

1 program allocations for the budget are
2 consistent with that sector breakdown.

3 No less than 15 percent of the
4 Renewable Energy Fund shall be allocated to
5 low-moderate income residential customers.
6 This year, and in the past year, we've
7 allocated approximately 16 percent of the
8 budget to that program.

9 And the statute also requires that we
10 issue a competitive RFP for C&I projects that
11 are not incentivized by any other rebate
12 programs; and we have done that in this budget
13 as well.

14 Looking at RPS compliance. The
15 obligation for 2018 was 18.7 percent of total
16 sales or load; the 2019 compliance increases to
17 19.7 percent; and then, in 2020, the
18 requirement is 20.7 percent. Those annual
19 increases are supported by increases in three
20 classes. Class I increased at a rate of 0.07
21 [0.7%?] percent annually; Class I Thermal
22 increases at 0.2 percent annually; and Class II
23 increases at 0.1 percent annually in 2019 and
24 2020, and then remains flat thereafter.

1 So, with that, we're focused in on
2 this budget on trying to meet those increased
3 needs for suppliers to be able to meet their
4 compliance obligations.

5 So, if we look at Class II
6 specifically, the installed solar here in New
7 Hampshire currently amounts to approximately
8 1 percent of total load. We have 80 megawatts
9 interconnected in New Hampshire right now. And
10 if we apply a 14 percent capacity factor,
11 that's what we came up with, we're in
12 approximately 1 percent of total load. That
13 1 percent exceeds the compliance obligation
14 through 2020 and thereafter.

15 Along with that, we're also
16 anticipating additional solar will be developed
17 through the Low-Moderate Income Program and the
18 Residential Solar Program, and possibly through
19 the C&I Grant Program.

20 The Class I obligation increasing at
21 0.7 percent annually, based on analysis that
22 was completed for our 2018 RPS review by
23 Sustainable Energy Advantage, they concluded
24 that Class I RECs would be sufficient to meet

1 the New Hampshire Class I obligations, along
2 with most regional Class I requirements,
3 provided that regional large-scale development,
4 such as the offshore wind projects, remain on
5 schedule. Class I obligations are also -- may
6 also be met or satisfied with Class II RECs.

7 Class I Thermal: More installed
8 capacity is needed to meet this increasing
9 obligation. Currently, we are at about
10 approximately 0.7 percent of total load
11 equivalent with Class II. There are a number
12 of installations in the pipeline. So, we're
13 seeing continued growth in that market, which
14 will help us towards meeting future compliance
15 obligations.

16 So, that's the status of where we are
17 and where we need to go.

18 When we look at the program
19 allocations, we tried -- Staff tried to
20 allocate funding based on the statutory
21 requirements that I just outlined, and based on
22 where RECs are needed, and the classes in which
23 we need RECs to meet future obligations.

24 We hope to utilize an expanded grant

1 program to test new markets, technologies, and
2 the siting and land use, and providing
3 incentives to install on certain types of land,
4 such as brownfields, parking lots, also looking
5 at direct ownership models for municipalities,
6 schools, and nonprofits, and possibly
7 considering solar, paired with storage.

8 We hope to begin to transform the
9 programs, so we can move towards a more
10 sustainable model, in anticipation of continued
11 small Renewable Energy Fund budgets in the
12 future.

13 Some examples that we've put under
14 consideration, in our Staff Recommendation, is
15 to look at loan loss reserve, interest rate
16 buy-downs, and modifying the programs with
17 reduced incentives.

18 So, Staff is looking forward to
19 undertaking these program revisions and the
20 process in a methodical and thoughtful way,
21 with shareholder -- I'm sorry, "shareholders"
22 -- stakeholder involvement. And Staff
23 anticipates working with stakeholders later
24 this fiscal year to revise and revamp the

1 program.

2 CMSR. BAILEY: Ms. Cramton, in the
3 beginning of your remarks, you referred to
4 something that was allocated, I think, to the
5 residential programs, and you said "\$3,000".

6 DIR. CRAMTON: Uh-huh.

7 CMSR. BAILEY: I lost what you were
8 talking about there.

9 DIR. CRAMTON: Sure. So, we received
10 in, for our 2018 compliance year, we received
11 \$3,000 approximately in Class II Alternative
12 Compliance Payments.

13 CMSR. BAILEY: I see.

14 DIR. CRAMTON: And, based on the
15 statute, we have to use at least that amount to
16 support solar programs. So, we received in
17 3,000, and our budget recommendations, where we
18 recommended that specifically for solar, we
19 allocated a little under 700,000.

20 CMSR. BAILEY: Okay.

21 DIR. CRAMTON: So, it's just a
22 reference point to show that we did exceed the
23 statutory requirement.

24 CMSR. BAILEY: Okay. Do you -- I'm

1 sorry to take -- to ask you this off-the-cuff,
2 but do you, by any chance, know what the
3 Commercial & Industrial Solar Rebate rate is
4 right now?

5 DIR. CRAMTON: I do. It's 40 cents
6 per watt, up to a maximum of \$50,000. The
7 maximum system size that is allowed under that
8 program is 500 kW.

9 CMSR. BAILEY: And do you happen to
10 know whether that amount of funding makes a
11 difference in somebody's decision whether or
12 not to install solar at their business? Do you
13 have any idea? I mean, I could ask the parties
14 that are here, too.

15 DIR. CRAMTON: Yes. I think the
16 parties are best to answer that. I mean, in
17 general, incentives, we hope, the reason we
18 have incentives is to encourage development,
19 and to take people from a "no install" to an
20 "install" decision.

21 But I think that is one of the
22 questions that we have with all programs in
23 general, and why we're looking at program
24 revisions, is to better understand what is

1 that, what is that amount that's needed to kind
2 of push people over that line. And I would
3 look to the installers and the community that's
4 here today to help us understand what's needed.

5 CMSR. BAILEY: Okay. And if we don't
6 have enough money to allocate decisions to get
7 to "yes" on those projects, then I think your
8 position is that we should figure out a
9 different way to allocate it?

10 DIR. CRAMTON: Yes, or to figure out
11 a way to change the program to make it so that
12 everybody can access it.

13 One of the things we have heard in
14 the past, because we've run into this situation
15 in the past, where we have had what we
16 perceived is not enough money to meet demand,
17 and we've held a lottery. So, for the past
18 couple fiscal years, we've held a lottery for
19 the Commercial & Industrial Program. We have
20 received feedback on those, on that lottery
21 process, that there's a fair amount of
22 uncertainty involved in that, and that it's not
23 the preferred way to go about allocating funds.

24 And I've got some statistics and

1 things that I can review with people, but --
2 well, we can wait until we get into that. I
3 can give you a couple of details on that or I
4 can hold off.

5 CMSR. BAILEY: We don't need that
6 information right now.

7 DIR. CRAMTON: Okay. Okay.

8 CMSR. BAILEY: Let's hear what, you
9 know, we can wait to hear what other people
10 say. But thank you very much for that report.

11 CMSR. GIAIMO: Ms. Cramton, Attorney
12 Wiesner, thank you very much for setting the
13 stage.

14 Okay. So, here is the situation. I
15 have nine speakers here who have signed two
16 separate pages. Two people have indicated that
17 they're here monitoring, but not speaking. So,
18 what I'm thinking is, you know, if each person
19 speaks, I don't know, average five minutes,
20 that gives you about an hour.

21 Is there anyone that has an issue or
22 challenge that needs to get brought to the
23 front?

24 *[No verbal response.]*

1 CMSR. GIAIMO: Okay. Then, I -- oh,
2 you have one? Yes.

3 MR. SKOGLUND: I may not have
4 indicated, but New Hampshire DES is monitoring,
5 but not speaking.

6 CMSR. GIAIMO: Okay. So, we have
7 eight speakers.

8 All right. So, I'm going to go
9 through the list, and I'll try to provide you
10 enough notice as to when you're going. But I'm
11 going to start with the top page with
12 Ms. Mineau, and followed by Mr. Fleischmann and
13 Mr. Clapp. And I'll keep you apprised as we go
14 through.

15 So, Ms. Mineau.

16 MS. MINEAU: Thank you, Commissioner
17 Giaimo. And thank you for the opportunity to
18 comment today.

19 We, at Clean Energy New Hampshire,
20 think that the 2018 ACP revenues are a cause
21 for concern for the future viability of
22 existing rebate and grant programs funded
23 currently by the Renewable Energy Fund. We
24 understand that limited funding causes Staff to

1 make difficult decisions in the proposed
2 budgets for fiscal year 2019.

3 We're very concerned by the
4 uncertainty caused by waitlists and programs
5 closing, because we hear constantly that
6 consistency and predictability in these
7 programs is of paramount importance to the
8 business community in New Hampshire.

9 We are opposed to closing the Solar
10 C&I Rebate Program. But we are also opposed to
11 underfunding or closing other programs.

12 To offer up a solution, we propose
13 that, to stabilize the Renewable Energy Fund,
14 we use some or all of the \$5 million Clean
15 Energy Fund created by the Eversource
16 divestiture to stabilize the funding in the
17 Renewable Energy Fund. We think that the time
18 to invest that fund into our state and into our
19 clean energy economy is now. Those funds were
20 available as soon as the divestiture was
21 complete, and the hydropower assets of PSNH,
22 the closing happened over a year ago.

23 And some of the parties in the
24 divestiture docket had already indicated to the

1 Commission that they preferred and recommended
2 that the Clean Energy Fund be put into the
3 Renewable Energy Fund. And, due to the current
4 situation, we would agree with that.

5 We think that the Clean Energy Fund
6 should be used to adequately fund the Solar C&I
7 Rebate Program, but also fund innovative
8 projects and financing, such as some of the
9 ones being considered by Staff.

10 We will submit written comments to
11 follow up with more detail, as well as to
12 indicate support from other parties from the
13 divestiture docket.

14 In another matter, we also support
15 that the Competitive Grant Program will
16 consider applications for solar projects from
17 municipalities and schools, brownfields, and
18 over-parking. We also support considering
19 solar paired with energy storage as part of
20 those Competitive Grant RFPs.

21 Thank you.

22 CMSR. GIAIMO: Commissioner Bailey.

23 CMSR. BAILEY: Isn't that just a
24 one-time fix? I mean, you've acknowledged that

1 the revenue from ACPs is concerningly low.

2 One conclusion could be made that the
3 program has worked to the extent that the
4 Legislature wanted it to work to, because now
5 there's enough generation out there to meet the
6 requirements of the RPS. And, so, people don't
7 have to pay ACPs anymore.

8 So, by using the Clean Energy Fund
9 this year, doesn't that just push the problem
10 off till next year?

11 MS. MINEAU: I think that I
12 completely agree that it's not a long-term fix.
13 But, as Staff considers program modifications,
14 I think that we suggested this would be
15 stabilization, so that it is not an appropriate
16 end in a program completely. So that, as we
17 continue to look at the future of that specific
18 rebate program, and potential modifications
19 that would make the funding stretch a little
20 bit longer, I think it makes sense to at least
21 use some of that funding. And I'm not saying
22 the whole \$5 million should go into the C&I
23 Rebate Program, but to at least stabilize the
24 funding for now.

1 CMSR. BAILEY: I haven't looked at
2 the agreement in a long time, but I think that
3 that agreement, with respect to the Clean
4 Energy Fund, says that Staff and the Office of
5 Strategic Initiative are supposed to recommend
6 or work with the Parties to recommend use of
7 those funds.

8 Have there been discussions among the
9 Parties and Staff and OSI about that idea?

10 MS. MINEAU: We, as one of the
11 Parties, have been regularly requesting, from
12 both Staff and OSI, to be informed about
13 current discussions about what to do with that
14 fund, and requesting that there be a robust
15 stakeholder process to discuss what to do with
16 the Clean Energy Fund. And those requests have
17 mostly gone unanswered or told that "they're
18 working on it". But we don't really know
19 what's being discussed or considered, and our
20 input has not yet been welcomed.

21 CMSR. BAILEY: Okay. So, I don't --
22 do you think that we have the authority to just
23 wave our wand and say "Use that money for
24 this"?

1 MS. MINEAU: No. I think, as one of
2 the Parties, we're recommending that there
3 needs to be more urgency about deciding what to
4 do with that fund. And that one of the
5 legitimate uses, and where there's a clear need
6 immediately, is to stabilize the Renewable
7 Energy Fund.

8 CMSR. BAILEY: Okay. Thank you.

9 CMSR. GIAIMO: Okay. So, now, we'll
10 go to Mr. Fleischmann, followed by Mr. Clapp.
11 And, then, Mr. Keller, you'll follow up third.

12 MR. KELLER: I may not need to speak,
13 but thank you.

14 CMSR. GIAIMO: Okay. I'll give you
15 the opportunity in a couple minutes. Thank
16 you.

17 MR. FLEISCHMANN: Thank you very
18 much. Can you hear me? No?

19 *(Court reporter indicating that*
20 *the microphone is not on.)*

21 MR. FLEISCHMANN: Okay. Oh, there's
22 the red light.

23 I'm Pablo Fleischmann, in Keene. I
24 haven't been here in a while. Nice to see all

1 the new faces up there.

2 I started my business in Keene in
3 2007. And we've focused primarily on
4 residential solar, among other things. But, in
5 terms of solar, we've primarily focused on
6 residential, which has grown fairly
7 consistently, with and without the rebates as
8 they have come and gone.

9 And over the last few years, we've
10 expanded to small commercial in our area. And
11 it, in a way, it's like some of the businesses
12 are just discovering that it's actually an
13 investment that might make sense. So, it kind
14 of feels like it's new in that part of the
15 state.

16 And, so -- and it's those pesky
17 statutory requirements and the compliance
18 obligations that I think are moving this around
19 in the way that the Staff has recommended. I'm
20 seeing that the residential rebate is not a
21 make-or-break, in terms of the clients I work
22 with. But the small commercial, it definitely
23 can make-or-break. We have six major small
24 commercial projects, and at least three of them

1 are teetering off of the "go" list. It's also
2 timing with the 2019 tax credits reducing, the
3 federal tax credits reducing from 30 percent to
4 26.

5 So, hadn't heard about this Clean
6 Energy Fund possibility, but that would be
7 great to have a bridge, so to speak, to help
8 the people that have been thinking about it and
9 working. The turnaround time on a commercial
10 project is anywhere from four to sixteen
11 months. So, it's a really tedious and
12 thoughtful project -- process. And it's kind
13 of terrible timing to eliminate this part of
14 the rebate.

15 I think that's about all I wanted to
16 say. Be great to figure out some way to help
17 it limp along a little longer, and also see,
18 you know, if there are ways the Legislature can
19 work with working on getting, you know, value
20 into the ACPs and the RECs, and that would,
21 because of the way the fund is funded, it's
22 sort of always tenuous.

23 I know there are a lot of people at a
24 national convention. So, there's probably not

1 a lot of solar people here, because they're in
2 Utah. But I felt like I had to come and at
3 least say what I said.

4 So, thank you very much.

5 CMSR. GIAIMO: Mr. Fleischmann, thank
6 you for coming. Commissioner Bailey has a
7 quick question. And then, I had one actually
8 that's a -- actually, a question for our Staff.

9 CMSR. BAILEY: Is this the last year
10 for the federal tax credits, do you know?

11 MR. FLEISCHMANN: At 30 percent. It
12 drops down to 26 percent next year.

13 CMSR. BAILEY: Okay.

14 MR. FLEISCHMANN: And then, to 22
15 after that.

16 CMSR. BAILEY: Okay. Thank you.

17 CMSR. GIAIMO: And with respect to
18 ACPs, do you have specific numbers for which
19 you think would be better ACP levels?

20 MR. FLEISCHMANN: That's beyond my
21 paygrade.

22 CMSR. GIAIMO: Okay. Fair enough.
23 Thank you. Again, thank you for coming.

24 MR. FLEISCHMANN: Thank you.

1 CMSR. GIAIMO: Okay. So, we have Mr.
2 Clapp. Mr. Keller, you're still thinking. So,
3 Mr. Burden, I understand Mr. Clapp may pass, so
4 you may be up quicker than you think. And
5 you're waving your hands like you don't need to
6 speak?

7 MR. BURDEN: I'm all set, yes.

8 CMSR. GIAIMO: So, then we would move
9 to Mr. Otten. So, let's go to Mr. Clapp.

10 MR. CLAPP: Thank you. Oh, jeez.
11 Thanks for the opportunity to speak today.

12 My name is Dan Clapp. I'm a
13 co-founder and General Manager for ReVision
14 Energy, an employee-owned solar company, and
15 working both in the residential and the
16 commercial sector in New Hampshire.

17 In short, you know, we respectfully
18 disagree with the Staff's Recommendation to
19 close the C&I Rebate Program. The reasons for
20 that is, you know, the solar market is beyond
21 the basic R&D phase, during which competitive
22 grants are needed, and effective at stimulating
23 new ideas and technologies. And we are in the
24 commercialization phase, in which rebates will

1 accelerate the adoption across a wide spectrum.
2 This includes municipalities, non-profits,
3 carports, and brownfields, which are, minus the
4 brownfields, which are currently being
5 developed today.

6 We lag behind neighboring states.
7 And New Hampshire does need to push beyond its
8 one percent solar generation capacity that we
9 have hit today.

10 So, for example, currently, ReVision
11 has 35 small commercial projects under
12 contract, and -- I lost my thought there -- and
13 wait for rebate approval. You know, out of
14 these customers under contract, ten are towns
15 or cities, eight non-profits, eight for-profit
16 businesses, five schools, and four farms spread
17 across New Hampshire. Most of the development
18 work has been completed. But there's no
19 guarantee that these customers will move
20 forward, if the rebate is not funded. So, that
21 it is an abrupt change that will have an
22 immediate impact.

23 In addition, as Pablo made us aware,
24 the federal ITC, investment tax credit, does

1 step down starting next year, from 30 to
2 26 percent. So, timing is of essence here.

3 You know, this would have a large
4 negative impact to our business, and I'm
5 guessing many other developers in the state.
6 More importantly, this will impact our towns
7 and businesses, making it difficult for them to
8 take advantage of the clean energy technology
9 and lock in their lower energy costs. If these
10 recommendations are adopted, you know, it's in
11 our opinion that this will create immediate
12 instability in the market.

13 Also, another reason we do not
14 support moving the available C&I funds into the
15 Competitive Grant bucket is due to increased
16 administrative costs, both on the developer
17 side, and I'm sure on the PUC Staff. The
18 current C&I Rebate Program has been streamlined
19 and is efficient in deploying the dollars to
20 build more commercially viable solar.

21 We understand this recommendation was
22 the response to lower-than-expected funding.
23 And, then, regardless of where the funds are
24 allocated, there will still be a disruption in

1 the C&I rebate. Because of this, we do highly
2 encourage the Commission to act on the
3 recommendation from Senator Bradley and Senator
4 Feltes, to move enough of the \$5 million in the
5 Clean Energy Fund into the Renewable Energy
6 Fund to cover the expected demand. Whether
7 it's over the next year or two years, two
8 fiscal years, so we can stabilize the program
9 and reduce the impact to the industry, the
10 immediate impact.

11 The intent of the Clean Energy Fund
12 was to expand access to clean energy across all
13 customer classes. And this is exactly what it
14 would do if moved into the REF.

15 In addition, I'd just like to
16 mention, if necessary, we are open to changes
17 to the rebate levels, to ensure that these
18 funds are leveraged across many of the
19 industries in the near future as well.

20 So, thank you for the opportunity to
21 speak.

22 CMSR. BAILEY: Does that mean you're
23 open to closing the Residential Program and
24 shifting it more towards Commercial? I don't

1 know that we can do that, because I think have
2 a statutory obligation.

3 MR. CLAPP: Correct. We are open to
4 discussing potentially, right now, we're at 40
5 cents a watt. We could lower that amount, to
6 make sure that it's extended or leveraged over
7 a longer period for more customers.

8 CMSR. BAILEY: Okay. Thanks.

9 CMSR. GIAIMO: There was a question
10 of Ms. Mineau, about how much money she saw,
11 and she said she wasn't sure, on exactly how
12 much was needed to stabilize it, to shift the
13 5 million from the funds. Do you have any idea
14 what the number would be that's needed to
15 stabilize it to prevent the volatility you
16 explained?

17 MR. CLAPP: I don't across the
18 industry. I do specifically, for our company,
19 of course, for our projects. But, no, not
20 across the industry in New Hampshire.

21 CMSR. GIAIMO: All right. Thank you.
22 And thank you for coming.

23 All right. Mr. Keller, you're --

24 MR. KELLER: Why not.

1 CMSR. GIAIMO: Okay. All right. So,
2 we'll go Keller, Otten, and
3 then VanWalkenburgh?

4 MR. VanVALKENBURGH: Yes.

5 CMSR. GIAIMO: Close?

6 MR. VanVALKENBURGH: Very close.

7 CMSR. GIAIMO: All right. Close
8 enough. With a name like Giaimo, I appreciate
9 it.

10 MR. KELLER: I only a have little bit
11 to add. I kind of want to support what Dan had
12 to say.

13 I'm here from New England Solar
14 Garden. We predominantly work within the
15 larger community solar market here in New
16 Hampshire under the current one megawatt net
17 metering program. We do not fall into this
18 program very often. We were fortunate enough
19 in the past to submit for one of the
20 competitive C&I programs for our Milton
21 landfill project for the Town of Milton. So, I
22 have some experience to understand how that
23 competitive process is rather cumbersome and
24 challenging for the Staff as well. So, I can

1 support that position that Dan shared.

2 My only real comment to you, to the
3 Commission, really, is I also have a small town
4 project. We had anticipated doing a larger
5 scale project for this community, it's
6 Allenstown, so nearby. And the larger project
7 was not able to move forward for flood plain
8 related reasons to the site. So, they really
9 wanted to have a solar project on their fire
10 department, they also wanted to put one on
11 their community center. So, we, personally, I
12 took the initiative to finance that project.
13 It's a smaller, you know, 60 kW project, to
14 support the Town's initiative on showing solar
15 in their community. And then, their new
16 community center came forward, and they had
17 some movement forward. So, we were able to get
18 those agreements with the Town in place to move
19 those projects forward. Again, we were
20 fortunate enough to utilize this program for
21 the smaller fire department.

22 But, then, as we moved in at looking
23 at doing the community solar -- the community
24 center project, we, I think, felt that there

1 were a lot of, the other folks that are here
2 are saying, is that start-and-stop timing. You
3 know, we don't have a lot of control over how
4 the town board of selectmen and other folks in
5 the community go through their approval
6 process. So, I'm not really sure if I have
7 anything to offer as far as a solution. But I
8 just wanted to share another project that
9 actually did get held up in this process, where
10 we are ready to go, and then the funding was,
11 you know, put on hold. And, then, when we got
12 the Town back on, you know, in a good place to
13 move forward, it had opened up, and then there
14 was, I believe, a backlist -- a waitlist
15 probably that didn't allow it, because we were
16 just kind of too late to the dance.

17 So, again, I wish I had come with
18 solutions. I don't really think I can have a
19 lot to share. I think Dan and some of the
20 other folks probably have more direct
21 experience. But I just want to share an actual
22 situation very close to here that is a project
23 that would be of great use of this funding.
24 The roof angle is a little bit not ideal. So,

1 additional -- some additional funding does help
2 with the economics. It allows myself to go to
3 a bank, a local bank, to get the funding that's
4 required. But, because of some of the
5 start-and-stop, it's kind of fallen off my
6 radar, and the Town understands that. They're
7 not happy about it, but they understand that
8 there are circumstances out of my control.

9 And until we get to a place where
10 solar is subsidy-free, and I don't know when
11 that is, that's -- they have to just wait.

12 So, I guess I just share an actual
13 experience of how it's affected a project with
14 a local town here in New Hampshire.

15 CMSR. GIAIMO: Thank you, Mr. Keller.
16 All right. So, moving on to Mr. Otten. Mr.
17 Burden, you're passing, correct?

18 MR. BURDEN: Yes. Thank you.

19 CMSR. GIAIMO: Okay. Mr. Otten.

20 MR. OTTEN: Thank you, yes. Thank
21 you, Commissioner, for having us today. I'll
22 be quick.

23 We traveled over here from Maine.
24 I'm the CEO of a company called Maine Energy

1 Systems. We were established in 2007. We
2 offer bulk pellet delivery from 150 miles from
3 our location in Bethel, which is just over the
4 border of New Hampshire and Maine. We do a lot
5 of business here in the state. And we support
6 the Staff's Recommendation for the Wood Pellet
7 Boiler and Furnace Programs, especially in lieu
8 of the lack of federal support that we
9 currently see for our renewable sector.

10 And I'm here to answer any questions
11 if you like, but I'd like to be quick.

12 CMSR. GIAIMO: Great. And thank you
13 for coming.

14 Okay. So, Mr. VanWalkenburgh. Was I
15 closer that time?

16 MR. VanVALKENBURGH: Those are two
17 "V"s, "VanValkenburgh".

18 CMSR. GIAIMO: "VanValkenburgh",
19 sorry.

20 MR. VanVALKENBURGH: Not a problem.
21 Not a problem.

22 CMSR. GIAIMO: Thank you for coming.

23 FROM THE FLOOR: Probably used to it.

24 MR. VanVALKENBURGH: I'm used to it,

1 yes.

2 I'm with Froling Energy. And we are
3 biomass-focused. We are generally a
4 commercial-focused business, in other words,
5 that marketplace, instead of the residential,
6 but we do some residential.

7 We have found that the rebate
8 programs and the Competitive Grant Program are
9 all working well, as well as can be expected in
10 this time. We end up with a little extra money
11 at the end of every year. There's sort of a
12 carryover, partly reserved and partly not
13 reserved. Which is, in some ways, unfortunate.
14 We saw a lot of competition back I think it was
15 2014 and '15, where the fund would be out of
16 money, and we haven't seen that for a few
17 years.

18 It all has to do with the price of
19 oil. It has to do with, you know, wood pellets
20 being the more costly fuel. They're less
21 expensive installations. But, when people look
22 at it and they say "gee, pellets are selling
23 for about the price of oil", at \$2.10, or
24 something like this, it's difficult to make

1 that justification, when they could just buy an
2 oil boiler for maybe one-third of the overall
3 cost.

4 So, if we're trying to incentivize
5 residential, you know, that's not my big
6 market, that's more to what some of the other
7 companies here would be doing, you know, I can
8 only say that it's very important when we give
9 a 40 percent rebate on top of that, which helps
10 immensely to make that decision.

11 And, again, these are pellets that
12 are fabricated in New Hampshire, 90 percent of
13 the pellets that are, you know, I think sold in
14 the state. And maybe that's not exactly,
15 Mr. Otten can help out. But there's a lot of
16 production of pellets in this state, especially
17 in Jaffrey, at New England Wood Pellet, which
18 is Lignetics. So, that's an important factor,
19 that we're actually keeping a lot of this in
20 the state and we're trying to foster this
21 industry.

22 And there's also people like Lyme
23 Green and others that are delivering those
24 pellets. And they're not getting rich

1 delivering pellets. And maybe you can tell us
2 about this a little bit more. But the idea is
3 that the market is kind of level. It has --
4 it's not a great spike where things are
5 happening, like it was in 2014, and purely
6 because of the price of oil. When we were at
7 \$3.50, \$4.00 a gallon, that made all the
8 difference.

9 So, we're keeping this industry
10 going. And, now, let's go to the commercial
11 side of things.

12 I think the rebate level, again, is
13 very good. It's quite generous for someone
14 who's considering a wood pellet system of
15 scale. Also, you know, if they are just
16 generally a commercial installation, it's going
17 to be something that's larger than a
18 residential, although some could be similar to
19 residential scale.

20 In the case that it really makes an
21 impact, those are the kind of systems that we
22 install a lot of. And it makes a huge
23 difference in the ROI, just overall. Again,
24 there's no federal support in making this kind

1 of investment. There's potential. But, you
2 know, New Hampshire leads the nation in this
3 kind of installation. Other states, like
4 Vermont, is somewhat close, but not really.
5 You know, we've got some pretty significant
6 installations.

7 If I look at the commercial rebates,
8 we -- I think we took up somewhere around
9 \$126,000 or so that was paid out last year in
10 rebates. And that's pretty significant. And
11 both of those projects were generators -- are
12 now generators of thermal RECs, which I think
13 is one of the focuses of the program.

14 If I jump to the Commercial C&I
15 Grant, we have a number of grants that have
16 come through over the years. And we've got
17 three currently. One is under construction.
18 One of them is on hold due to funding, and that
19 happens sometimes on a municipal scale. It's
20 the library over in Peterborough, which is just
21 looking for their funding. Still not -- not
22 just for the boiler system, but for the whole
23 library. So, that's a \$300,000 grant. There's
24 another one for Maplewood Nursing Home, which

1 was a \$395,000 grant, which is "in process".
2 So, in other words, they have to finish the
3 project, in order to be complete and to get
4 those funds. And, then, there's also our --
5 our company actually has an expansion we're
6 doing over in Keene, and there was some
7 assistance on that, due to some innovation we
8 were doing there with -- both with the creation
9 of electricity, as well as thermal, with our
10 new operations.

11 So, those are three projects that we
12 have, say, that are current. And, then, prior
13 projects over the years included the UNH
14 Project and others that are very significant
15 and, you know, really showing a lot of the
16 potential. And that's part of what we're
17 doing, besides generating RECs, is showing that
18 potential, and demonstrating in these different
19 communities. So, I think that's partly what
20 goes on with the RF -- what I call the "RFP
21 Grant", but the commercial and industrial grant
22 situation. So, when those applications are
23 made, I know that's a strong consideration.

24 But the generation of thermal RECs,

1 every commercial project that we do generates
2 thermal RECs. I shouldn't say "every".
3 There's like a 95 percent factor, because
4 there's some projects that just don't have that
5 ability. But it's a very big part of what we
6 do.

7 And, also, I think of the ROI, again,
8 on a commercial situation, where they're
9 proposing this. If I can show them that the
10 future cost of their fuel is going to be
11 anywhere between \$8.00 and \$3.00, down as low
12 as \$3.00 per million Btu, that's a huge factor.
13 So, it gives them the upfront investment
14 assistance, and they can see down the line this
15 is going to be significant and stable.

16 And, again, if I compare that to oil,
17 you know, oil being in that \$8.00 to \$9.00
18 range, I think that's a fairly accurate
19 statement. You know, you're looking at a
20 pretty significant discount in the future cost
21 of fuel, and stability. And that's one good
22 thing that the REC market has done for us as
23 well, is it gives it a good stability of this
24 future cost.

1 So, all in all, as I say, that we
2 really like the way the program runs. There's
3 a little excess funding in these accounts,
4 but -- in the rebate accounts. But I think
5 that, if we just get a little bit of a blip,
6 you know, a drone strike in the Middle East
7 might actually raise the price of oil. And
8 those sorts of crazy things could actually
9 accelerate us again, and we'd want to have that
10 capability.

11 On the grant side, I think it's good
12 funding. I'd like to make sure that we have a
13 carve-out of that. You know, in other words,
14 you've got a good amount of money in that -- in
15 that account, and then you're going to split it
16 between the competitive, the solar, as well as
17 the thermal and other things. And I just want
18 to make sure that you have that ability that
19 there's, you know, it seems like it's always
20 been very balanced in the past, the types of
21 projects that you do. And we'd like that to
22 continue on, so that biomass does get sort of a
23 fair share of things.

24 That's the end of my comments.

1 CMSR. GIAIMO: Well, thank you. And,
2 Mr. Niebling, you're last. And I apologize,
3 you're the one person I didn't give any notice
4 to the fact that you'd be speaking. So, --

5 MR. NIEBLING: That's okay. Thank
6 you, Commissioner Giaimo, Commissioner Bailey.

7 My name is Charlie Niebling. I'm a
8 partner with Innovative Natural Resource
9 Solutions, in Concord. And I'm here
10 representing Lignetics of New England, which
11 owns and operates the wood pellet manufacturing
12 plant in Jaffrey, along with a number of other
13 wood pellet manufacturing facilities around the
14 country.

15 I'm here to support the Staff's
16 Recommendation in its entirety. I, as others
17 have pointed out, I just think it bears
18 emphasis that biomass thermal systems have
19 never qualified for or received any federal
20 assistance, in the form of preferential tax
21 treatment or tax credits, which I think it's
22 fair to say have been -- played an
23 extraordinary role in the growth of solar and
24 wind and other technologies.

1 The rebates are vitally important to
2 the continued market development. It has been
3 pointed out that this industry went through a
4 soft period, after the price of oil and propane
5 came down, and natural gas came down rather
6 significantly, in 2014 and '15.

7 As a result, we've not experienced
8 the economies of scale and the growth and
9 penetration in the market that we all hoped we
10 would see, and that would have resulted in
11 economies of scale and bringing the cost of
12 technology down.

13 And I just also want to point out,
14 it's -- New Hampshire is two states, when it
15 comes to heating. It's the 50 percent of the
16 population and 25 percent of the land area that
17 has access to pipeline natural gas. And, then,
18 it's the other 50 percent of the population and
19 75 percent of the state that does not, and
20 except for a little activity around the edges,
21 it's unlikely to ever see pipeline natural gas.
22 And that creates a significant dichotomy in the
23 marketplace, and in terms of the cost of
24 heating. And pellet heating is very important

1 in parts of those state that don't have access
2 to natural gas, and are dependent on propane or
3 oil, and are subject to the volatility of the
4 pricing of propane and oil.

5 I want to emphasize that we strongly
6 support allowing solar, commercial industrial
7 solar, to compete on a level playing field with
8 other technologies under the Commercial -- C&I
9 Competitive Grant Program, using the metrics
10 that Staff have used to judge the merits of
11 projects. And I don't -- I'm not suggesting
12 any changes or a carve-out or an allocation for
13 different sectors. I think they should all
14 compete on a level basis.

15 I also want to point out that I
16 appreciate the Staff's willingness to open a
17 proceeding to consider some programmatic
18 changes to the process for residential wood
19 pellet boiler applicants to seek REC
20 eligibility or to seek a rebate. And,
21 hopefully, it will lead to more smaller
22 projects qualifying for and seeking RECs.

23 It's probably worth saying that most
24 of the ACPs are coming from Class I thermal.

1 And I could take the next hour and explain why
2 that is, but I won't. But we want to see more
3 of these projects qualify for and get RECs.

4 And I think that the PUC Staff and the
5 administrative process within your authorities
6 can play a very significant role in making that
7 possible.

8 And, then, I want to add support for
9 the suggestion made earlier, that perhaps it's
10 time for OSI and Staff to take a serious
11 expedited look at the deployment of the Clean
12 Energy Fund from the Eversource divestment --
13 divestiture, as a way of smoothing out the
14 abrupt closure of the C&I Solar Program.

15 And maybe to give the Legislature
16 some time to consider some policy changes
17 around how, to what extent, we incentivize
18 clean, renewable, sustainable energy sources in
19 this state in a more durable, sustainable, and
20 predictable way. It's not a matter of your
21 consideration. You know, you're implementing
22 the statute. But it's an important time, I
23 think, for that discussion. And it seems like
24 the Legislature is willing to have that

1 discussion.

2 So, perhaps buying a little time with
3 the Clean Energy Funds will give everyone a
4 chance to step back and say "what is a more
5 thoughtful, durable, predictable, and
6 sustainable way to do this?" And, so, that the
7 market can operate with predictability and
8 certainty about what their future holds.

9 That's it. Thank you.

10 CMSR. GIAIMO: Thank you,
11 Mr. Niebling.

12 Okay. So, maybe we'll give anyone
13 that hasn't spoken or anyone that would like to
14 follow up on something they heard the
15 opportunity to speak? I'll wait a couple of
16 seconds.

17 *[No indication given.]*

18 CMSR. GIAIMO: Seeing no one taking
19 me up on that offer. We didn't miss anyone,
20 correct?

21 *[No verbal response.]*

22 CMSR. GIAIMO: Good. Okay. So, I'll
23 take the opportunity to remind everyone that
24 you have until September 30th to submit written

1 testimony.

2 And, if there's no other business --
3 I'm sorry, "written comments". If there's
4 nothing else, we will stand adjourned. Thank
5 you.

6 ***(Whereupon the public hearing***
7 ***was adjourned at 1:59 p.m.)***

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