

## **GRANITE STATE HYDROPOWER ASSOCIATION, INC.**

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TWO COMMERCIAL STREET  
BOSCAWEN, NEW HAMPSHIRE 03303

TELEPHONE: 603-753-4577  
EMAIL: [gsha@essexhydro.com](mailto:gsha@essexhydro.com)  
WEBSITE: [www.granitestatehydro.org](http://www.granitestatehydro.org)

September 9, 2014

Michael J. Sheehan, Esq.  
Staff Attorney/Hearings Examiner  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301-2429

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**RE: PUC Docket No. DRM 13-311, Puc 902 and Puc 909 Rules for Group Net Metering,  
Initial Proposal – Annotated Text filed with JLCAR on June 20, 2014**

Dear Attorney Sheehan:

The Granite State Hydropower Association (GSHA) appreciates the opportunity to submit written comments following the public hearing held on August 27, 2014 on the New Hampshire Public Utilities Commission's Initial Proposed Rules Puc 902 and Puc 909 for Group Net Metering, dated 6/20/2014. GSHA respectfully offers comments in two areas.

First, during the testimony given by Mr. Rick Labrecque on behalf of Public Service Company of New Hampshire (PSNH), Mr. Labrecque recommended that the Commission set in rules a minimum period of time during which an entity must serve as a host. He indicated that this is needed because a hydro station was looking to be a host for certain months of the year and sell into the spot market for the remaining months of the year in an attempt to maximize revenues. GSHA would like to clarify that this concept was raised simply as a hypothetical question during a brainstorming and information-sharing session held between a GSHA member and Mr. Labrecque. It was not posed to PSNH as an actual proposal. While rules on minimum time periods for group hosts do not seem warranted, GSHA does not object should the Commission deem them necessary and appropriate. GSHA worked diligently with all interested stakeholders over several legislative sessions to reach consensus on a group net metering law for New Hampshire that all parties agreed they could live with, and our members are committed to seeing the law succeed.

Second, Attorney Mark Dean representing the New Hampshire Electric Cooperative raised a concern on behalf of the four electric utilities that the last sentence in Puc 902.03, which defines "customer generator," could be in conflict with one of the requirements set forth earlier in Puc 902.03. Specifically, the utilities assert that the sentence "For purposes of this chapter, the electricity consumed in conjunction with or to operate the facility qualifies as 'the customer's

own electricity requirements” conflicts with the requirement that a facility be “used to offset the customer’s own electricity requirements.” GSHA disagrees with the utilities’ assertion. Based on GSHA’s understanding of the legislative intent, we believe that the last sentence in Puc 902.03 is entirely consistent with how the Legislature intends for the group net metering law to work. The Legislature heard testimony on SB 98 (2013) from both advocates and opponents of group net metering and, after hearing that testimony, deliberately chose to delete the words “in the first instance”<sup>1</sup> from the clause “is used to offset the customer’s own electricity requirements” with the intent that electricity consumed in conjunction with or to operate a facility qualifies as the customer’s own electricity requirements.

Specifically, during testimony before the Senate Energy and Natural Resources Committee on March 6, 2013, Mr. Clay Mitchell (Revolution Energy) testified in part as follows:

“The second targeted amendment is ... the requirement that these [solar] arrays be on the premises of one of the participants in the groups. ... We’ve looked at trying to come up with ways providing these kind of systems for condominiums, workforce housing, manufactured housing parks, but people aren’t sitting around with acres of land living in manufactured housing parks, so the ability to site one of these group net metering systems on an owner of participants is a tough thing for us to do. That restriction, while we understand the background of it, [we] would like that to be examined a little more carefully, perhaps eliminated so that the array can be located somewhere else and still contribute to these people.”

During that same hearing, Mr. Rick Labrecque (PSNH) testified in part as follows:

“We’re now talking about putting in larger and larger systems that are really not serving any site load and are selling the vast majority of their power to nonaffiliated friends and family in this group net metering. ... The purpose of group net metering was to allow these basically wholesale generators to now utilize a retail mechanism ... The lineout in the amendment “in the first instance” I thought that was very interesting. I didn’t hear exactly the purpose of that lineout but I assume what that means is you no longer have to be too concerned about whether the site where you put the facility is actually reducing customer load. I read this possibly to mean, until the lineout, that we’re really talking about building a new facility at a site and the new facility is primarily there to help that site lower their own energy use. Perhaps there’s some excess and they can distribute it and they’re group net metering. By striking that out now, I’m sniffing something that now this bill is going to be used to put a megawatt of solar in a field somewhere.”

Furthermore, PSNH suggested language which the Senate Committee did not adopt that read:

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<sup>1</sup> Moreover, the words “in the first instance” replaced “intended primarily” when HB 1353 became law in 2010.

Written Comments of the Granite State Hydropower Association  
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“Eligible customer-generator group host’, or ‘Group Host’ means a customer-generator who desires to use surplus kilowatt hours from an eligible facility on their premises to reduce or otherwise control the energy costs of a group of customers.”

The Legislature, having heard all of the testimony, was fully aware of and supportive of the implications of striking the words “in the first instance.” The Legislature’s intent is clear that the electricity consumed in conjunction with or to operate an electric generating facility does indeed qualify as “the customer’s own electricity requirements.”

In sum, GSHA believes the legislative intent clearly rests squarely in support of the proposed last sentence in Puc 902.03.

GSHA greatly appreciates your time and consideration of these comments and would be happy to answer any questions or provide further information. Thank you very much.

Sincerely,

*Richard Norman HLK*

Richard A. Norman, President  
Granite State Hydropower Association

Cc: Heidi L. Kroll, Registered Lobbyist, Gallagher, Callahan & Gartrell