

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION
CONSUMER ENERGY ALLIANCE

Docket No. DE 16-576
RE: ALTERNATIVE NET METERING DOCKET

Closing Statement and Summation

April 12th, 2017

I. Introduction:

On behalf of Consumer Energy Alliance (“CEA”), its nearly 300 member companies, and 450,000 individual and family members, thank you for your hard work and dedication on this critical effort to regulate and establish policies that will affect the energy future of each and every *consumer* and business in the Granite State. Indeed, it is vital to each state citizen that the New Hampshire Public Utilities Commission (“PUC”) issue an order that will allow distributed generation, such as solar, a fair and reasonable opportunity to proliferate, promote a healthy electric grid, and ensure that each family and small business receives access to affordable, reliable electricity.

Prior to the passage of House Bill 1116¹ (“H.B. 1116”) and the inception of Docket No. DE 16-576 (“the Docket”), the PUC had already articulated the importance of the Docket in its mission statement, which is to “ensure that *customers* of regulated utilities receive safe, adequate and reliable service at just and reasonable rates.”² H.B. 1116 enumerates the same principles when it instructs the PUC to provide a reasonable opportunity for customers to invest in and

¹ http://gencourt.state.nh.us/bill_status/billText.aspx?sy=2016&id=293&txtFormat=html

² <http://www.puc.state.nh.us/Home/aboutus.htm> (emphasis added)

interconnect solar and other distributed generation technologies (“DG”) to the electric grid and that they receive fair compensation for the power they produce locally.³

To achieve these ends, the State Legislature bound the PUC to consider seven factors in reaching its Final Order. These factors are: 1) the costs and benefits of customer-generator facilities; 2) avoidance of unjust and unreasonable cost shifting; 3) the rate effects on all customers; 4) alternative rate structures, including time based tariffs; 5) whether there should be a limitation on the amount of generating capacity eligible for such tariffs; 6) the size of facilities eligible to receive net metering tariffs, timely recovery of lost revenue by the utility using an automatic rate adjustment mechanism; and 7) the electric distribution utilities’ administrative processes required to implement such tariffs and related regulatory mechanisms. Each one of these factors insists that the Final Order be made with *consumer* wellbeing as its goal.

CEA is a signatory to the Utility and Consumer Coalition (“UCC”) Proposal (“the Proposal”) because it best achieves the legislative intent codified in H.B. 1116 by providing *all consumers* with the best opportunities to invest in DG, to achieve affordable rates, to receive fair compensation for investments in DG, and to ensure that all *consumers* are treated equally. Despite the myriad of similarities between the Proposal and the terms suggested by the Energy Future Coalition (“EFC”), they differ on two key terms – compensation rates for distribution and transmission services – which are what make the UCC Proposal the best policy for New Hampshire’s *consumers* and its energy future. Please note that CEA and every other *consumer* advocate in the Docket support the Proposal, including the Office of the Consumer Advocate (“OCA”), the Office of Energy and Planning (“OEP”), and the New England Ratepayers Association (“NERA”).

³ Id.

II. Arguments for the Proposal:

The Docket's exhibits and testimony ("Record")⁴ demonstrate that the Proposal is the best option for providing New Hampshire DG *consumers* a reasonable opportunity to interconnect and to receive fair compensation while ensuring fair rates for traditional energy *consumers* for the following reasons:

A. Export and Transmission Credits

The Proposal encourages the expansion of DG benefits by providing reasonable opportunity for DG *consumers* to interconnect to the electric grid and receive fair compensation because it provides a credit for exported energy and electric transmission.⁵

The Record demonstrates that the Proposal will ensure the continued deployment of DG because small DG customers will receive two bill credits that are greater than the price at which utilities typically acquire electricity on the wholesale market.⁶ Specifically, all net-metered DG customers taking the default service rate will receive credit for exported electricity at the default service rate and will receive a credit equal to 100 percent of the volumetric transmission charge for electricity exported to the utility. Essentially, DG customers have the opportunity to offset their electricity costs by installing DG systems on their property at a rate higher than wholesale. As several witnesses also indicated in their testimonies⁷, most DG customers remain connected to the grid and use its services throughout the day by pulling electricity from it. This means that utilities must maintain both generation and distribution capacity to provide solar customers with

⁴ <http://www.puc.state.nh.us/Regulatory/Docketbk/2016/16-576.html#ExhibitsPage>

⁵ Utility and Consumer Proposal, 4-5 (hereinafter "Proposal").

⁶ Id. at 5.

⁷ See, e.g., Transcript, Day 1, Afternoon Session, 15-20, 72.

access to electricity beyond what their DG facilities produce, particularly at peak demand times in the evening and in the winter when renewable resources are less accessible.⁸

This substantial ability to offset the costs of electricity consumption and reduce overall customer bills will continue to provide incentives for those considering DG to invest in the technology and bring the uniformly agreed to benefits of DG to more New Hampshire residents. The Proposal does so effectively because it allows electric distribution companies to recover more of the cost⁹ of serving a DG customer – which prevents cost-shifting and socially regressive incentives¹⁰ – and allows for more re-investment in grid services that nearly every state *consumer* utilizes. The Proposal further recognizes the declining costs of solar and moving towards a market sensitive pricing regime.¹¹

Accordingly, the Proposal’s bill credits take substantial steps towards striking the proper balance between allowing solar to proliferate, protecting the efficacy of the electric grid, and ensuring fair compensation and affordable rates for all *consumers*.

B. Start Date

The Proposal allows for a reasonable opportunity for *consumers* to interconnect because it dictates a start date based on a specific day, not based upon phases and milestones that may not be reached or that may become irrelevant based upon time and technological development.¹²

The tariff start date in the Proposal states that all large and small projects in the queue after June 30, 2017, or before that date if they are above the 100MW cap referenced in RSA 362-A:9, I, will be moved to the Proposal’s tariff as soon as each distribution company is technically

⁸ See, e.g., Transcript, Day 2, Morning Session, 120; Transcript, Day 3, Afternoon Session, 19, 104.

⁹ See RSA 362-A:9, VIII.

¹⁰ Transcript, Day 2, Afternoon Session, 76.

¹¹ *Id.* at 78.

¹² Proposal, 2-3.

able to, based upon their billing system, with a tariff start date no earlier than July 1, 2017.¹³ The panel of UCC witnesses testified to the fact that this tariff schedule is definite and administrable on a timeline that will allow *consumers* an opportunity to invest based on a firm timeline.¹⁴ The Record further demonstrates that certain portions of EFC's settlement terms may never actually be realized because it is based on uncertain timelines and milestones.¹⁵

The basic market principles of certainty and predictability, which have been addressed in the Record, are present in the Proposal and will continue to provide the reasonable opportunity for all New Hampshire *consumers* to choose to install DG and interconnect to the electric grid.

C. Grandfathering

The Proposal provides a reasonable opportunity for *consumers* to interconnect at a fair rate because it includes a generous grandfathering provision.¹⁶ Specifically, all customers who are operating under the current tariff may remain on the tariff until December 31, 2040.¹⁷ Each party's witnesses saw this as a logical step that honors existing contracts and recognizes significant, prior investments in DG technologies.¹⁸

D. Pilot and Data Collection Programs

The Proposal allows for reasonable interconnection opportunities and fair compensation for *consumers* exporting energy because it provides for pilot and data collection programs that ensure that DG opportunities and compensation are properly valued, based on data, well into the future.¹⁹

¹³ Id.

¹⁴ See generally Transcript, Day 2, Morning Session, 131-137.

¹⁵ See EFC Proposal.

¹⁶ Proposal, 7-8.

¹⁷ Id.

¹⁸ See, e.g., Transcript, Day 3, Morning Session, 74.

¹⁹ Proposal, Technical Statement, 5-6.

The Proposal and Record detail plans for pilots and data collection programs, including low income community solar, time-of-use, timely recovery of costs, locational value, review of RNS/LNS, and the commencement of a value of distributed energy resources study.²⁰

Each of these programs, particularly the low income pilot, has been testified to in the Record as having the real value of ensuring that New Hampshire's energy market is properly priced moving forward by ensuring solar penetration, a robust electric grid, and fair pricing for all *consumers*.²¹

III. Closing Argument:

As stated from the outset, CEA's purpose in this proceeding is to advocate for an outcome that allows DG to proliferate, ensures a robust electric grid, and yields fair and affordable electricity rates for all New Hampshire *consumers*. These guiding principles are echoed in the PUC's own mission statement and are further laid out in H.B. 1116 in the form of a reasonable opportunity to interconnect DG to the electric grid while each customer-generator is compensated at a fair rate. CEA believes that the Record supports the Proposal because it achieves the objectives outlined in the legislation that instigated this proceeding.

The Proposal achieves the legislative intent of H.B. 1116 because its tariff structure compensates DG customers above the wholesale energy rate by offering credits that compensate for exported electricity at the default service rate and for 100 percent of the volumetric transmission charge. This structure acknowledges the value of DG and allows it to grow while ensuring that utilities are able to recover their costs of service and that no unjust or unreasonable cost-shift is occurring. The Proposal further provides a concrete start date based on a definite point in time that is not subject to milestones that may never come to pass. Moreover, the

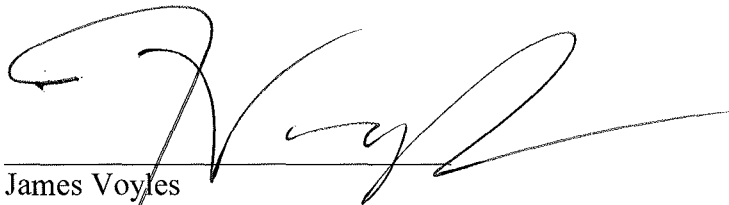
²⁰ Id.

²¹ See, e.g., Transcript, Day 3, Afternoon Session, 89.

Proposal contemplates vital pilot and data collection programs that ensure proper compensation well into the future.

Again, CEA and its members sincerely appreciate your time and attention on this critical matter that will impact each and every family and business in the state. We urge you to thoughtfully consider the information before you in the Docket, Record, and the Proposal, and we ask that you keep the *consumer* and ratepayer at the heart of your decision. In doing so, we believe that you will find the Proposal agreeable and supported by H.B. 1116 as it facilitates DG proliferation, ensures a robust electric grid, and yields fair rates for each *consumer*.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read 'J. Voyles', written over a horizontal line.

James Voyles
Counsel
Consumer Energy Alliance
April 13, 2017