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June 1, 2018

Debra A. Howland Executive Director New Hampshire Public Utilities Commission 21 South Fruit Street, Suite 10 Concord, NH 03301

Re: DE 16-576, Development of New Alternative Net Metering Tariffs and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators Quarterly Status and Progress Report of Stakeholder Working Group Process

Dear Ms. Howland:

Pursuant to Order No. 26,029 (June 23, 2017) at 74, the Commission ordered that "reports of the status and progress of the stakeholder working group process shall be filed on a quarterly basis by Commission Staff." This letter represents the third quarterly status and progress report.

All four stakeholder working groups have met at least once, and additional meetings will be scheduled within the next few months. The following is a brief summary of the major efforts recently undertaken with respect to each of the four working groups:

Low and Moderate Income Program Working Group

The development of pilot programs for low and moderate income (LMI) customers is being considered together with the development of program(s) intended to meet the requirements of Senate Bill 129, enacted as 2017 N.H. Laws Chapter 226 (SB 129). SB 129 specified that 15% of the Renewable Energy Fund be used annually to develop renewable energy projects benefitting LMI customers. The Commission opened Docket DE 17-172 to develop, review, and approve program(s) designed to meet the SB 129 requirements, and directed that initial efforts to develop such programs be undertaken concurrently with the LMI working group sessions in the net metering docket.

Following three stakeholder working group sessions, Staff filed a memorandum recommending that a request for proposals (RFP) process be used to meet the SB 129 requirements for fiscal year 2018. The Commission held a public comment hearing to receive input regarding Staff's recommendations and provided opportunity after the hearing for interested parties to submit written comments regarding the RFP proposal. On March 19, 2018, the Commission issued Order No. 26,113, which approved the issuance of an RFP to receive proposals for the

development of LMI customer-owned or third party-owned community solar photovoltaic projects that provide direct benefits to a minimum of three LMI participants within the same electric distribution utility service territory.

The RFP was issued on March 23, 2018, and responses have been received and evaluated by Commission Staff. The RFP requires a minimum grant request of \$50,000 and sets a maximum grant request of \$200,000, where the LMI program budget for fiscal year 2018 is \$405,000. The RFP also contains detailed provisions regarding specific project criteria, scoring, and timing. Staff expects contracts for approved LMI projects to be considered for approval by the Governor and Executive Council at their next scheduled meeting.

Time-of-Use Rate Pilot Program Working Group

Working group participants have discussed alternative approaches for the design and implementation of time-of-use (TOU) rate pilot programs and have heard presentations regarding prior TOU pilot programs conducted in New Hampshire and in other New England states. One of the utilities previewed a potential approach to TOU rate implementation, and that approach was discussed by various stakeholders. Staff anticipates that a further meeting of the TOU pilot program working group will be scheduled during the second quarter of 2018.

Non-Wires Alternative Pilot Program Working Group

During the non-wires alternative (NWA) pilot program working group session held on November 6, 2017, it became apparent there was a lack of consensus as to the fundamental scope and purpose of the proposed NWA pilot programs. In particular, a number of stakeholders expressed the view that the NWA pilots should not be limited to distributed generation (DG), but should permit participation by various other types of distributed energy resources (DERs), either individually or in the aggregate. The stakeholder representatives attending the working group session agreed that the Commission should be asked to solicit comments from parties and then provide clarification of the relevant issues before pilot program development efforts continue. Staff recommended that the Commission seek written comments from the parties with respect to a list of related questions, and a secretarial letter was issued on November 17, 2017 asking parties to submit written responses to those questions. A number of parties submitted responsive written comments regarding NWA pilot programs and potential alternatives.

On February 16, 2018, Staff filed a memorandum recommending modifications to Order No. 26,029 to focus utility and stakeholder development efforts on study and analysis rather than the design and implementation of NWA pilot programs. A public comment hearing regarding the proposed modifications was held on March 13, 2018, and written comments were filed thereafter by a number of parties. On April 30, 2018, the Commission issued Order No. 26,124, modifying Order No. 26,029 to suspend efforts to develop NWA pilot programs in the context of net metering tariff development, while focusing instead on the potential to evaluate the locational value of DG to the utility distribution system through study and analysis of relevant data. The Commission directed that those issues continue to be addressed through the ongoing stakeholder working group process. A working group session to consider and discuss study design alternatives and data collection requirements will be scheduled in June 2018.

Value of DER Study Scope Working Group

The value of DER (VDER) study scope working group has met several times since 2017. At one session this past quarter, the working group heard a detailed presentation from Lon Huber of Strategen Consulting, the consultant engaged to work with the Office of the Consumer Advocate in this docket. Mr. Huber summarized a number of value of solar studies performed in other states, and provided a preliminary outline of a potential study approach for New Hampshire based primarily on a VDER analysis conducted in New York.

More recently, the working group has focused on a draft outline for the scope of the VDER study. Staff prepared an initial draft of the outline, which was subject to comment and revision by a number of stakeholders. At the most recent working group session, two outside consultants facilitated a discussion of relevant issues and preliminary consensus was reached with respect to a number of study scope items. Staff has recently filed a final report regarding the proposed VDER study scope and timeline. A public comment hearing on the proposed VDER study scope and timeline. A public comment hearing on the proposed VDER study scope and timeline has been scheduled for June 29, 2018, with an opportunity for written comments to be submitted until July 10, 2018.

Finally, Staff notes that it has been and remains the consensus of working group participants that participation in the working group process should remain open and unrestricted at this time.

I hereby certify that a copy of this letter will be served electronically to the parties on the service list at the same time it is filed with the Commission.

Sincerely,

and Wiemen

David K. Wiesner Staff Attorney

cc: Service List

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND

DEBRA A HOWLAND EXECUTIVE DIRECTOR NHPUC 21 S. FRUIT ST, SUITE 10 CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.

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