

STATE OF NEW HAMPSHIRE
Intra-Department Communication

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DATE: August 9, 2019
AT (OFFICE): NHPUC

FROM: Karen P. Cramton, Director, Sustainable Energy Division *KPC*

SUBJECT: DE 16-576, Development of New Alternative Net Metering Tariffs and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators
Recommendation to Amend Order to Eliminate Low and Moderate Income Pilot Program Requirement

TO: Martin P. Honigberg, Chairman
Kathryn M. Bailey, Commissioner
Michael S. Giaimo, Commissioner
Debra A. Howland, Executive Director

CC: Tom Frantz, Director, Electric Division
David K. Wiesner, Director, Legal Division

Summary

Commission Staff (Staff) recommends that the requirement for the electric distribution utilities to develop low and moderate income (LMI) pilot programs be eliminated, as such programs would be duplicative of recently-enacted statutory amendments intended to promote development of LMI renewable energy projects. Elimination of that requirement would entail modification of Order No. 26,029 (June 23, 2017) (June 2017 Order) under RSA 365:28, after notice and hearing. Staff recommends that the Commission issue notice of a hearing to consider elimination of the LMI pilot program requirement in the near future.

Background

In the June 2017 Order, the Commission directed that four types of pilot programs be developed and implemented, including LMI pilot programs to

use monetary bill credits to make the benefits of solar DG system ownership available to [LMI] customers whose circumstances would otherwise not allow them to participate in a net-metered renewable energy project.

June 2017 Order at 63. The Commission directed that the LMI and other pilot programs be developed and filed after review and discussion with interested stakeholders through a working group process. In the June 2017 Order, the Commission noted that Senate Bill 129, if enacted, would require the funding and implementation of certain programs and projects intended to benefit LMI residential electric customers. *Id.* The Commission further directed the utilities and

Staff to develop pilot programs that are consistent with, and not duplicative of, any such other programs and projects required under enacted legislation. *Id.*

Over a period of months, Staff engaged with other stakeholders in a working group process to discuss potential options for development of LMI pilot programs. On May 30, 2019, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed a petition for approval of an LMI pilot program, which it refers to as the “Clean Innovation Community Solar Pilot Proposal.” Neither Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities, nor Unitil Energy Systems, Inc., has developed an LMI pilot program to date.

Recent Legislative Initiatives

Under Senate Bill 129 (SB 129), enacted as 2017 N.H. Laws Chapter 226, the Commission is required to develop a program or programs using a portion of the Renewable Energy Fund (REF) to directly benefit LMI residential customers. In particular, SB 129 specifies parameters for development of such LMI programs, including the following:

- [N]o less than 15 percent of the [REF] shall annually benefit [LMI] residential customers, including, but not limited to, the financing or leveraging of financing for low-moderate income community solar projects in manufactured housing communities or in multi-family rental housing.
- “Low-moderate income community solar project” is defined in RSA 362-F:2, X-a to mean ground-mounted or rooftop solar arrays that directly benefit a group of at least 5 residential end-user customers, where at least a majority of the residential end-user customers are at or below 300 percent of the federal poverty guidelines.
- Each group member of a group host for a low-moderate income community solar project, as so defined, may receive credits on the customer electric bill for each member and the host, provided that there shall be only one such new project in each utility's service territory by December 31, 2019, with such projects available on a first-come, first-served basis.

The Commission has implemented SB 129 through the issuance of requests for proposals for the competitive selection for grant funding of renewable energy projects directly benefitting LMI customers, allocating not less than 15 percent of the REF on an annual basis. *See* Order No. 26,113 (March 19, 2018) and Order No. 26,214 (January 25, 2019) issued in Docket DE 17-172.

Under Senate Bill 165 (SB 165), enacted as 2019 N.H. Laws Chapter 271, and known as the “Low-Income Community Solar Act of 2019,” additional incentives are provided for development of new low-moderate income community solar projects. In particular, SB 165 provides as follows:

- A group host may elect to receive credits on the customer electric bill for each member and the host, with the utility being allowed the most cost-effective method of doing so according to an amount or percentage specified for each member on PUC form 909.09 (Application to Register or Re-register as a Host), along with a 3 cent per kwh addition

from July 1, 2019 through July 1, 2021 and a 2.5 cent per kwh addition thereafter for low-moderate income community solar projects, as defined in RSA 362-F:2, X-a.

- On or before July 1, 2022, the commission shall report on the costs and benefits of such an addition and the development of the market for low-moderate income community solar projects, and provide a recommendation on whether the addition shall be increased or decreased.

Staff has begun development of proposed amendments to the Puc 900 Net Metering Rules that would implement the provisions of SB 165.

Analysis and Recommendations

Staff has concluded that the LMI renewable energy programs required by SB 129 and the LMI community solar incentives provided by SB 165 render duplicative the LMI pilot programs required under the June 2017 Order. As noted above, that order expressly directed Staff and the utilities to develop LMI pilot programs that are *consistent with, and not duplicative of*, any such other programs and projects required under enacted legislation.

As an example, Staff believes that Eversource's proposed Clean Innovation Community Solar Pilot Proposal is duplicative of other programs required and incentives provided under enacted legislation for the following reasons:

1. On Bill Credit for Host and Members (i.e., Virtual net metering) – both the Eversource proposal and SB 165 provide for virtual net metering for low-moderate income community solar projects;
2. Added incentives – both the Eversource proposal and SB 165 provide for incentive adders to be directed to LMI projects;
3. Direct benefits to LMI customers – both the Eversource proposal and the SB 129 grants funded through a percentage of the REF are intended to provide direct benefits to LMI customers from competitively-selected renewable energy projects;
4. Data to inform future net metering tariff development – SB 165 requires the Commission to report on the costs and benefits for low-moderate income community solar projects, and provide a recommendation on whether the adder should be increased or decreased, and that reporting may be duplicative of the data collection and reporting associated with the LMI pilot programs required under the June 2017 Order.

Staff therefore recommends that the requirement for the electric distribution utilities to develop LMI pilot programs be eliminated, as such programs would be duplicative of recently-enacted statutory amendments intended to promote development of LMI renewable energy projects, such as those contemplated by SB 129 and SB 165. Elimination of that requirement would entail modification of the June 2017 Order under RSA 365:28, after notice and hearing.

Staff recommends that the Commission issue notice of a hearing to address elimination of the LMI pilot program requirement under the June 2017 Order in the near future.

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 16-576

Development of New Alternative Net Metering Tariffs
and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators

APPEARANCE

August 1, 2019

Please enter my Appearance for Conservation Law Foundation in the above-captioned matter, *DE 16-576, Development of New Alternative Net Metering Tariffs and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators*. Please add me to all Service Lists for this Docket.

I am an attorney in good standing and licensed to practice law in New Hampshire (N.H. Bar No. 14206). I agree to adhere to the Committee's rules of practice and procedure and to adhere to any orders of the Committee or agreements between the parties in the docket, including orders or agreements addressing confidentiality.

Respectfully submitted,

By:



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Appearance has, on this 1st day of August, 2019, been sent by email to the service list in Docket No. DE 16-576.



Meredith A. Hatfield
Conservation Law Foundation