

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: August 24, 2017

AT (OFFICE): NHPUC

FROM: Barbara Bernstein, Energy Analyst

NHPUC 24AUG'17PM2:49

SUBJECT: DE 16-861 Renewable Energy Development Associates, LLC Request for Waiver of Puc 2507.02(a), to Allow the Installer of Solar PV Facilities to Serve as an Aggregator

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

CC: Karen Cramton, Director, Sustainable Energy Division
David K. Wiesner, Staff Attorney

This memorandum is intended to replace the memorandum filed on June 22, 2017; it clarifies certain information regarding the docket filings, corrects the citations for the quoted rules text below, and adds more detail regarding the basis for granting the rule waiver requested.

On December 5, 2016, the Commission received a request for a waiver of Puc 2507.02(a) from Renewable Energy Development Associates, LLC (REDA) in connection with its interest in serving as an aggregator under the Puc 2500 rules regarding the Renewable Portfolio Standard (RPS). On April 11, 2017, REDA filed an application for approval to serve as an aggregator if its requested rule waiver is granted. REDA has installed solar photovoltaic (PV) systems and proposes to serve as the aggregator of renewable energy certificates (RECs) for those facilities, as well as for other renewable energy facilities. This aggregator model varies from that contemplated by the Puc 2500 RPS rules. REDA's rule waiver request has been docketed, and Staff recommends that a waiver be granted to permit REDA to serve as an aggregator of RECs in New Hampshire.

Rule Waiver Request for Aggregator Approval

Puc 2507.02(a) provides that “[a]n aggregator shall not aggregate certificates from a customer-sited source or a source producing useful thermal energy if the aggregator has a prohibited relationship to an independent monitor, equipment manufacturer, **equipment installer** or owner associated with the source.”

Puc 2507.02(b) defines “prohibited relationship” as:

- (1) A direct or indirect ownership interest comprising at least ten percent of the stock or other equity of an entity,

- (2) Common direct or indirect ownership of at least ten percent,
- (3) Membership in the same household or family, or
- (4) Service as an officer, director, partner, employee, agent or fiduciary.

REDA represents that a state-approved independent monitor verifies and reports system production data to NEPOOL-GIS at least quarterly for issuance of RECs, while the function of the aggregator is to aggregate and sell issued RECs. Therefore, having the installer perform this aggregator function for facility owners does not create a conflict of interest, provided the RECs are verified and reported by a state-certified independent monitor.

REDA further states that there is an “overlap” between system installation and registration of facilities for the purpose of REC sales. REDA believes that allowing an equipment installer to assist system owners with REC facility registration and to aggregate RECs would streamline performance-tracking and aggregation services. That would provide a more efficient and less onerous method of RPS compliance and REC creation, to the benefit of both the installer and the facility owner. REDA also states that the New Hampshire REC market would benefit from additional certified aggregators by increasing the diversity of aggregation services and enhancing competition.

Staff’s review has determined that REDA’s rule waiver request is reasonable and appropriate, given that a state-approved independent monitor will verify system electric production and report the production total to the NEPOOL-GIS system. The involvement of an independent monitor without even a potential conflict of interest should ensure that accurate and unbiased electric production data is submitted, while the performance of installer and aggregator functions by a single company would make rule compliance more efficient and less onerous for renewable energy sources and their aggregators. The REDA proposal therefore represents an alternative means of permitting an additional REC aggregator to enter the market and provide sources with more options for selling their RECs.

In conclusion, Staff recommends that the Commission approve the REDA request for a waiver of this rule provision under Puc 201.05, based on a finding that the waiver will not disrupt the orderly and efficient resolution of matters before the Commission and will serve the public interest, where compliance with the rules would be onerous given the circumstances of the affected person and the purpose of the rules would be satisfied by the alternative method proposed.

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

Executive.Director@puc.nh.gov

amanda.noonan@puc.nh.gov

barbara.bernstein@puc.nh.gov

david.shulock@puc.nh.gov

karen.cramton@puc.nh.gov

leszek.stachow@puc.nh.gov

ocalitigation@oca.nh.gov

tankfulofsun@gmail.com

tom.frantz@puc.nh.gov

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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
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.