

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 15-271

**EXAMINATION OF ELECTRIC DISTRIBUTION UTILITY
INTERCONNECTION AND QUEUE MANAGEMENT PROCESSES
FOR NET-METERED CUSTOMER GENERATORS**

**Order *Nisi* Approving Modification of Net Metering Program Capacity Allocation
Procedures to Eliminate Type C Project Milestone Non-Refundable Deposit Requirement**

ORDER NO. 26,058

September 22, 2017

In this order *nisi*, the Commission modifies the Net Metering Program Capacity Allocation Procedures (Procedures), previously approved by the Commission in Order No. 25,874 (March 22, 2016). As recommended by Staff, the Commission hereby eliminates the non-refundable deposit milestone requirement for projects greater than 100 kilowatt (kW) but less than 1 megawatt in capacity (Type C projects). In the future, Type C projects will pay a deposit equal to the lesser of either (i) \$50 per kW of capacity, or (ii) 25% of the estimated utility upgrade costs, if any. The deposit will be refundable to the extent not used to cover utility upgrade costs, regardless of whether the project is constructed. That modification will be effective for any Type C Project with an applicable milestone compliance due date on or after September 1, 2017, the date upon which the new alternative net metering tariff became effective. *See Development of New Alternative Net Metering Tariffs and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators*, Order No. 26,029 at 56 (June 23, 2017).

On September 18, 2017, Commission Staff (Staff) filed a memorandum addressing two questions regarding the Procedures raised by SunPower, the developer of a Type C solar energy distributed generation (DG) project. The first question concerned the continuing validity of and

necessity for the Procedures, given that there is no longer a cap or other limit on eligible net metering capacity following the Commission's issuance of Order No. 26,029. Staff stated three distinct reasons why the Procedures remain relevant and should be retained in effect. Staff recommended that the Procedures not be discontinued or modified at this time, other than with respect to the non-refundable deposit requirement for Type C projects.

SunPower's second question related to the following provisions of the Procedures that are applicable to Type C projects:

In order to retain its allocation, a Type C Project shall comply with each and all of the following milestones:

Milestone #1. Within 30 days, the Applicant shall have executed and delivered a signed Interconnection Service Agreement and paid a non-refundable deposit in an amount equal to the lesser of either (i) \$50 per kW of capacity, or (ii) 25% of the estimated utility upgrade costs, if any, but not less than \$20 per kW of capacity in any case.

According to Staff, the effect of the Milestone #1 requirement is that certain Type C distributed generation project developers must pay a deposit that exceeds their estimated system upgrade costs, and those developers will not receive a refund of or credit for the deposit payment, regardless of whether the project is completed. Staff believes that such a harsh result is difficult to justify given that the current purpose of the Procedures is not to allocate a scarce resource (i.e., a share of capped eligibility for net energy metering and billing). Staff noted it had informally received other similar comments and inquiries regarding the non-refundable deposit requirement for Type C projects.

Staff recommended that the Commission modify the Procedures so that the deposit payable in connection with Type C Project Milestone #1 will not exceed the lesser of either (i) \$50 per kW of capacity, or (ii) 25% of the estimated utility upgrade costs, if any; and the

deposit amount will be fully refundable to the extent not used to cover utility upgrade costs, regardless of whether the project is constructed. Staff further recommended that the modification be made effective for any Type C Project with a Milestone #1 compliance due date on or after September 1, 2017, that being the date the new alternative net metering tariff became effective pursuant to Order No. 26,029 issued in Docket DE 16-576.

We agree that the Procedures remain relevant and should be maintained in effect, while incorporating the recommended modifications to Type C Project Milestone #1, which we find are reasonable and appropriate under the circumstances. We therefore approve the recommended modifications to that section of the Procedures, pursuant to our authority under RSA 365:28. Accordingly, the Procedures shall be modified such that Type C Project Milestone #1 reads as follows:

Milestone #1. Within 30 days, the Applicant shall have executed and delivered a signed Interconnection Service Agreement and paid a refundable deposit in an amount equal to the lesser of either (i) \$50 per kW of capacity, or (ii) 25% of the estimated utility upgrade costs, if any. The deposit shall be fully refundable to the extent not used to cover utility upgrade costs, regardless of whether the project is constructed. The foregoing shall apply to any Type C Project with a Milestone #1 compliance due date on or after September 1, 2017.

We issue our decision on a *nisi* basis to provide any interested person the opportunity to submit comments on the approved modifications to the Procedures or to request a hearing.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, the Net Metering Program Capacity Allocation Procedures of Public Service Company of New Hampshire d/b/a Eversource Energy, Liberty Utilities (Granite State Electric) Corp., d/b/a Liberty Utilities, and Unitil Energy Systems, Inc., shall be revised as directed in the body of this Order *Nisi*; and it is


FURTHER ORDERED, that a copy of this Order *Nisi* shall be published to the service list for this docket and on the Commission's website, such publication to be no later than October 2, 2017; and it is

FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than October 9, 2017, for the Commission's consideration; and it is

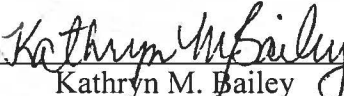
FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than October 16, 2017; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective on October 23, 2017, unless the publication obligation set forth above has not been satisfied or the Commission provides otherwise in a supplemental order issued prior to the effective date.

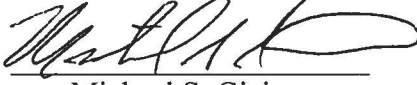
By order of the Public Utilities Commission of New Hampshire this twenty-second day of September, 2017.



Martin P. Honigberg
Chairman

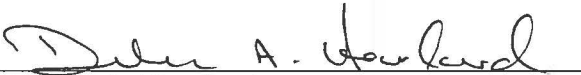


Kathryn M. Bailey
Commissioner



Michael S. Giaimo
Commissioner

Attested by:



Debra A. Howland
Executive Director