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August 31, 2010

ATTN: Debra A. Howland
Executive Director
Public Utilities Commission
21 S. Fruit Street
Concord, NH

RE: Comments on Modifications of Incentive Payments for Small Residential Generation Facilities.

Dear Debra,

I hope to make it to the September 1, 2010 meeting, but in case I can't, here are my thoughts.

We all knew this would happen when the commercial rebate was put in place, which is why I wanted to fund the commercial rebate differently. I have just placed my 50th PV order, so I have done very well from this program and of course the change in the incentive program will certainly have an effect on me.

SUGGESTION #1:

Change the program to \$1.50/Watt up to 3000 or 4000 Watt array. The reduction to \$1.50/Watt for 2000 watts installed will cut the draw from the fund in half because of basic math and will be cut in half again due to lower return on investment and less participants. The \$3.00/Watt rate was too high for a 2000 Watt system anyway.

SUGGESTION #2:

The mechanism that presently funds these programs is not logical to me. You're basically penalizing the power company for not being renewable. Why would they keep dumping money in this fund which is only negative cash flow, as opposed to funding a renewable project of their own where they have a return on investment. That's what PSNH tried to do with money in this fund in the Manchester One Megawatt Project.

The Power Companies presently have a program that all rate payers pay into called a System Benefits Charge which puts money in a fund for energy efficient rebate programs. It costs less than \$2.00 for every

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\$100.00 electric bill. The Coop for instance, has about 80,000 meters. If every meter, on average, charged \$1.00/Month based on KWH, it would generate almost \$1 million within the Coop territory alone. This is simplified and I don't know what the actual average KWH/Meter in NH, but I am sure you do, and can come up with a rate. If the entire state participated in this, it would easily fund the renewable energy fund with very little impact on everyone's electric bill.

Also, with the likelihood of the rebate being reduced, it would be helpful if the maximum size of the array could be increased to 10KW. That way, the additional money earned from the REC meter will offset some of the reduction in the state rebate.

Thank you for your time.

Sincerely,

Kim Frase