

DE 10-194

STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION  
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MEMORANDUM

TO: Amy L. Ignatius, Chairman  
Robert R. Scott, Commissioner  
Mike Harrington, Commissioner

Cc: Debra Howland, Executive Director  
Suzanne Amidon, Staff Attorney  
Jon Osgood, Utility Analyst

FROM: Jack Ruderman *JR*

DATE: March 16, 2012

RE: Funding Shortfall in Residential Renewable Energy Rebate Program



**Summary:**

The residential renewable energy generation rebate program for pv/wind systems is running low on funds. The balance of unobligated funds is now under \$50,000. We are likely to run out of program funds within the next few weeks, well before the end of the current state fiscal year (June 30, 2012). It will be necessary to establish a waiting list or queue for new rebate applicants until new funds are available. New ACP funds are anticipated after July 1, 2012.

**Background:**

The residential renewable energy generation rebate program was created by the state legislature in 2008, via HB1628, which took effect July 1, 2009. The law, codified as RSA 362-F:10, V, provides:

- V. The public utilities commission shall make and administer a one-time incentive payment of \$3 per watt of nominal generation capacity up to a maximum payment of \$6,000, or 50 percent of system costs, whichever is less, per facility to any residential owner of a small renewable generation facility, that would qualify as a Class I or Class II source of electricity, has a total peak generation capacity of less than 5 kilowatts, begins operation on or after July 1, 2008, and is located on or at the owner's residence.

In Order No. 25,144 issued September 15, 2010, the Commission modified the rebate program by reducing the rebate payment to \$1.25 per watt, up to \$4,500 or 50% of the system cost, whichever is less.<sup>1</sup> Due to a lack of funding, the Commission also created a waiting list for rebate applicants until such time as new funding would be available.

At the time, the Commission had received in excess of 450 rebate applications totaling more than \$2.5 million since the program's inception in July of 2009.

The rebate program remained closed until July of 2011, when the Commission approved new budgets for rebate programs funded by the Renewable Energy Fund, including the residential pv/wind program, whose budget through June 30, 2012 was set at \$981,616.

Since re-opening the program, the Commission has received roughly an additional 225 applications. Rebates have been paid on 598 systems for a total of \$3.2 million. These funds have been leveraged with private investment from system owners of nearly \$12 million.

Jon Osgood, who manages the residential rebate program, reports that there is less than \$50,000 remaining in unobligated funds. On average the Commission receives 5 residential rebate applications per week, with an average request of \$4300. At that rate we will obligate \$43,000 over the next two weeks. Jon would like to put the waiting list in place when the fund balance reaches \$10,000. This will give him a cushion should there be any unanticipated expenses.

**Recommendation:**

The Sustainable Energy Division requests that the Commission authorize the creation of a waiting list for the residential renewable energy generation program when the balance of unobligated funds reaches \$10,000. The Division also recommends that the Commission issue a Secretarial letter for this purpose which can be circulated to interested parties.

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<sup>1</sup> RSA 362-F:10, IX provides that: "For good cause, the commission may, after notice and hearing, by order or rule, modify the program, including reducing the incentive level, created under RSA 362-F:10, V.