

1 STATE OF NEW HAMPSHIRE
2 PUBLIC UTILITIES COMMISSION

3

4 September 1, 2010 - 10:12 a.m.
5 Concord, New Hampshire

6

RE: DE 10-194
7 RESIDENTIAL RENEWABLE ENERGY GENERATION
8 INCENTIVE PROGRAM: Modification of
9 Incentive Payment for Small Residential
Renewable Generation Facilities.
(Hearing to receive public comment)

10

PRESENT: Chairman Thomas B. Getz, Presiding
11 Commissioner Clifton C. Below
12 Commissioner Amy L. Ignatius

13

Sandy Deno, Clerk

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15 APPEARANCES: (No appearances taken)

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23 Court Reporter: Steven E. Patnaude, LCR No. 52

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1 P R O C E E D I N G

2 CHAIRMAN GETZ: Good morning, everyone.

3 We'll open this hearing in docket DE 10-194, concerns the
4 Residential Renewable Energy Generation Incentive Program.
5 On October 2nd, 2009, the Commission issued Order 25,020
6 establishing a process to permit owners of small
7 residential renewable generation facilities to apply for
8 incentive payments pursuant to RSA 362-F:10, which
9 provides a one-time incentive payment to a residential
10 owner of a small renewable photovoltaic or wind energy
11 generation facility of \$3.00 per watt, up to a maximum
12 payment of \$6,000, or 50 percent of the system's costs,
13 whichever is less. During 2010, the Legislature repealed
14 that statute and inserted the following replacement
15 language that "For good cause, the commission may modify
16 the program, including reducing the incentive level."

17 In terms of the history of the
18 alternative compliance payments for calendar years 2008
19 and 2009, there was a total deposit of \$5.78 million into
20 the Renewable Energy Fund. And, at this point, there is
21 an uncommitted balance of approximately \$1.5 million.
22 Given the experience in the Program of 20 applications per
23 month, there's a total average payments of \$1.5 million
24 annually. And, assuming that that rate of participation

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1 continues, the Program could be exhausted before the end
2 of fiscal year 2011. Accordingly, we have concluded that
3 good cause may exist to support a modification of the
4 incentive payment.

5 In the order of notice setting up this
6 opportunity for comment, which we issued on August 13, we
7 indicated that the -- a proposal to reduce the payment to
8 \$1.50 per watt and the per system maximum to \$3,000 for
9 small residential energy facilities. The purpose of the
10 hearing today is to provide opportunity to the public to
11 comment on whether the incentive payment should be
12 reduced; and, if it should be reduced, to what level; and
13 to hear comment on any other issues related to the
14 Program.

15 And, what we will do is, in terms of
16 process, the sign-up sheet that a number of people have
17 already signed up, and I will just go through that sheet
18 in order, allow people to make their comments. And, I'll
19 also note that, in our notice, we indicated that we will
20 receive -- accept written comments through September 7.
21 So, just ask if there is anything else from the Bench?

22 CMSR. BELOW: Well, just to clarify,
23 though the order of notice refers to an uncommitted
24 balance of approximately 1.5 million, as is somewhat more

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1 explained in the other docket where we're considering the
2 Commercial and Industrial Incentive Program for the
3 Renewable Energy Fund, when you factor in what should be
4 allocated between the residential and the C&I program,
5 pursuant to the new statute that calls for us to try to
6 balance based on the consumption between those sectors,
7 which is roughly 41 percent residential; 59 percent for
8 C&I, then what we're really left with is about
9 1.17 million for this, essentially, residential PV and
10 wind or electric renewable rebate program for this fiscal
11 year, from July 1 through June 30 of next year. So, we're
12 sort of only dealing with about a \$1.17 million budget;
13 part of which, almost a third of which has already been
14 committed, as I understand it, and maybe Jack can clarify
15 that, what the current status is. But -- so, we're
16 probably dealing with only about six or 700,000 through
17 June 30th of next year that's available for rebates for
18 this program.

19 CHAIRMAN GETZ: And, I guess, the bottom
20 line being, for this proceeding and for the companion
21 proceeding that we took public comment on Monday, with
22 regard to the Commercial/Industrial Rebate Program, what
23 we're trying to accomplish is to determine what's the best
24 approach to spending what are a limited amount of dollars

1 for these rebate programs. And, so, we're seeking your
2 comment on what's the best approach to spending those
3 dollars.

4 So, with that, the first commenter is
5 Clay Mitchell.

6 MR. MITCHELL: Thank you, Commissioners.
7 I would gladly, if it's appropriate, yield my -- first to
8 Jack, if Jack has any information that would provide
9 greater context for any of the public that would speak.

10 MR. RUDERMAN: I don't think I have a
11 whole lot to add. As comments are made, I'm happy to
12 interject, if there are additional figures or facts that I
13 can bring to the attention of everyone. But my plan was
14 to wait until we've heard folks speak, and then respond
15 with some comments addressing the Commission and those who
16 are here today.

17 MR. MITCHELL: Thanks.

18 MR. RUDERMAN: But I appreciate the
19 offer. Thank you.

20 MR. MITCHELL: You're welcome. Good
21 morning. My name is Clay Mitchell and I'm the President
22 of the New Hampshire Sustainable Energy Association. Our
23 membership is primarily made up of residents of New
24 Hampshire and some small/medium businesses. I understand,

1 I will be brief, the Commission is operating under a great
2 deal of constraints. And, the context that I wanted to
3 provide for you is -- relates to our membership and
4 residents who have been in the long decision process to
5 invest in solar. I'm fully aware of the monetary limits
6 that you have to operate under, but a lot of people are
7 very -- at varying stages in their decision-making process
8 about investing in solar. And, as such, I would provide
9 you with that context in the hope that you recognize that
10 some people are counting on their rebates as they stand
11 now. And, that your transition to a new rebate level be
12 defined and gentle, so that people can adapt to it. I
13 understand that that may place limits on the tail-end of
14 that. But giving the defined dates and the defined
15 amounts allows people an honest chance to achieve their
16 decision and their objectives with implementing renewable
17 energy.

18 That goes as well for the small business
19 community that has recently been sprouting up and being
20 supported by your programs. And, I think that it will be
21 easier to adapt to a stepped and sustained incentive, one
22 -- rather than one that dramatically changes in a short
23 time frame.

24 I will also provide some more in-depth

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1 written comments about technical aspects, but I think that
2 it's more important for me to speak about the context of
3 our membership. And, that's all I really have. Thank
4 you.

5 CHAIRMAN GETZ: Do you have a specific
6 recommendation, in terms of what the dollar per watt and
7 the per system maximum should be?

8 MR. MITCHELL: Well, my hope was, and
9 that's -- I was going to try and do some mathematics on
10 the fly, hearing about the committed numbers. But the
11 idea that the existing incentive would continue for a bit,
12 to allow people to step up and make their decision. That
13 there would be a step, one step down to an incentive
14 maximum of maybe something like 4,500, and then a final
15 step to 3,000, so that people can adapt to this new
16 incentive level. With the understanding that, if there
17 are greater contributions because of alternative
18 compliance, that the Commission could then ratchet it back
19 up. But having either periods of time or numbers of
20 rebates at that step level allows people to make those
21 decisions in a more fiscally responsible way.

22 CHAIRMAN GETZ: Thank you.

23 CMSR. BELOW: A question. As I think
24 you understand what we're trying to balance is, and the

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1 concern that we've heard is not having the program run out
2 of money abruptly and shut down for a significant period
3 of time, so that there might be no rebates available, and
4 that's sort of the trade-off we're working at. If the
5 rebate level stays at its current level, the Program will
6 probably run out of funds well before the end of the
7 fiscal year, if not the calendar year.

8 And, so, I guess my question is, is the
9 -- from your point of view, the bigger concern the overall
10 cap on the rebate level, that's the 6,000 or 3,000 or
11 something in between, versus the amount per watt,
12 realizing that the 6,000 cap is reached at a 2 kW system
13 at \$3.00 per watt. And, even at \$1.50, you'd reach the --
14 you'd reach a \$3,000 cap at 2 kW as well. So, the
15 question is, is your concern primarily about the over -- I
16 think, from our experience, we've seen most people put in
17 larger systems than the rebate per kW pays for, because
18 they run into the \$6,000 per system cap. So, my question
19 is, is that your primary concern, that that overall amount
20 per system not drop by half in one big step?

21 MR. MITCHELL: Versus the per kilowatt
22 system?

23 CMSR. BELOW: Yes.

24 MR. MITCHELL: I'm not -- I think, from
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1 the perspective of our organization and our members, we
2 like to see -- I think it's more important that more
3 people share in the incentive. And, I know that that is a
4 little bit contrary to my initial comments, that I want
5 the incentive to stay at a level. That consistency has to
6 do with the decision process. The amounts, I think, need
7 to reflect greater opportunity for all socioeconomic
8 status, people who have all different sizes of homes.
9 And, so, what I think is important is seeing a program
10 that's in place. And, I'm not sure I can determine on the
11 fly which is more important; is it a per kilowatt number
12 or a max? What I think is -- our organization's position
13 would be that, you know, we would like to see more systems
14 enjoy the rebate, and, therefore, you know, that it's the
15 per kilowatt that we're more concerned about -- or, I'm
16 sorry, I think it's the system cap would implement that
17 better than the per kilowatt limitation.

18 CMSR. BELOW: Okay. Thank you.

19 MR. MITCHELL: You're welcome.

20 CHAIRMAN GETZ: Are you contemplating to
21 do something more specific, in terms of the written
22 comments?

23 MR. MITCHELL: Absolutely. And, based
24 on those questions, I will address them specifically.

1 CHAIRMAN GETZ: Okay. Great. Thank
2 you.

3 MR. MITCHELL: Thank you very much.

4 CHAIRMAN GETZ: Mark Weissflog.

5 MR. WEISSFLOG: Good morning,
6 Commissioners. I concur with Clay. I believe the
7 reduction of the incentives from \$6.00 -- or, excuse me,
8 \$3.00 to \$1.50 may be a little large. There are many
9 customers that have delayed their decision because of the
10 current economic situation. And, it's quite a large
11 decrease in the available monies. So, what ends up
12 happening is I think you're going to see a large decrease
13 in the number of applications that will be submitted.

14 As you indicated, the sweet spot is a 2
15 kW system, and it is unfortunate that the cap corresponds
16 with \$6,000, or \$3.00 a watt. Most of the 2 kW systems
17 right now are running, at least for us, in the 13, little
18 over \$13,000 mark. And, when you jump to a 3 kW system,
19 that's between 19 and \$20,000. And, there's, obviously, a
20 lot more money that the individuals have to commit to get
21 to that 3 or 4 or 5 -- or 4.99 kW system. So, the
22 incentives are really tiered toward smaller systems, and
23 they're disproportionate in what they are incentivizing
24 when you're doing that.

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1 If the program could reflect a tiered
2 system, that allows those monies to be spread out amongst
3 larger systems again. So, what you're doing is trying to
4 incentivize people to put in larger systems and spend a
5 little more of their capital dollars, leveraging some more
6 of the state's monies, I think that would be very
7 fruitful. So, that tiered system may, in fact, promote
8 larger systems and more kW to be installed in the state.

9 The other question I had, I guess, and
10 this -- I don't know if anybody is in the audience from
11 Public Service, but we were painted a picture just
12 recently that, after 2011, fiscal year 2011, the incentive
13 or the availability of the RPS funds, the ACPs, would
14 increase pretty drastically. And, they may not be
15 directly related to the solar carve-out portion, but they
16 would be increasing pretty significantly. So, those
17 monies may be, if those projections hold true, would have
18 a number of more dollars available to the funds.

19 And, I will submit some comment on this
20 in writing.

21 CMSR. BELOW: Maybe just to expand a
22 little bit. I think what you're -- what I hear you saying
23 is that a smaller than \$3.00, smaller incentive per kW,
24 but not reducing the cap as much, the amount per system,

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1 might incent some people to put in larger systems.
2 Because, right now, there's no -- there's no additional
3 incentive or rebate beyond the 2 kW system. Whereas, if
4 whatever the incentive level is pushed out to 3 or 4 or 5,
5 that that might help people --

6 MR. WEISSFLOG: Absolutely. And,
7 abstractly, I didn't really write this out, but you could
8 think of a -- I've always -- I've never seen any states do
9 this, but a reverse tiered system, where you offer \$1.00 a
10 watt for the first 2 kW or \$1.25, and then you go up to
11 \$2.00 a watt for the third kW. So, you're spending, for
12 the first 2 kW, \$2,000, the third kW you get another
13 2,000. So, you're spending \$4,000 for a 3 kW system, of
14 systems monies, and that incentivizes residents to install
15 larger systems, and you're getting more, you know, bang
16 for your buck.

17 CMSR. BELOW: And, I think the number
18 you just gave for a 2 kW versus 3 kW suggests that the
19 incremental cost is somewhat linear. I've heard it stated
20 that it's not always linear, that a larger system doesn't
21 cost -- the amount, the cost per kW tends to go down with
22 larger systems. What would be your sense beyond even 3
23 kW, up to 5 kW, or even more?

24 MR. WEISSFLOG: Typically, in the, at

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1 least in our experience, 1 to 4 or 5 kW is pretty equal,
2 depending upon the actual installation site. That, say,
3 6.00, 6.25 a watt is pretty linear. Normally, on larger
4 systems, 10, 20, 50, you know, 300 kW systems, there is
5 some economies of scale there. But, given New Hampshire's
6 geography and, at times, the project sites being so spread
7 out, it's kind of hard to pick up those economies of
8 scale, unless you have multiple projects in a similar
9 area.

10 So, again, given the fact that the
11 Program's been doing well, and I will commend both PUC,
12 Jack's office, on this Program, because I think it's very
13 successful, and as evidenced by all the systems that have
14 been installed.

15 CMSR. BELOW: Do you see residential
16 customers wanting to put in larger than 5 kW systems or
17 having the ability to do so?

18 MR. WEISSFLOG: Absolutely. It is
19 somewhat restrictive. Actually, in design, even to get to
20 5.2 or 5.4 kW, which finishes out a string, if you're
21 using central inverters, is prohibited by this. So, what
22 we see is, people being bound by the law because they
23 cannot install that next module or the next two modules,
24 that really gives them a little more economy of scale,

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1 because they can do different string arrangements. So,
2 we've had many incidences where we had to scale back on
3 the string arrangement, being the size of the array, and
4 the type of inverter utilized, because of that 5 kW -- no
5 larger, actually, it's a 4.99 kW system, because 5 kW is,
6 again, prohibited.

7 CMSR. BELOW: So, do you think there
8 would be merit in lifting that 5 kW cap? Because it seems
9 like the total amount on the system would come into play
10 long before you hit the 5 kW cap?

11 MR. WEISSFLOG: Absolutely. And, that,
12 in the discussions at the Legislature and at the Science &
13 Technology Committee meetings, it was my understanding
14 they felt that people that installed systems larger than 5
15 kW had the financial wherewithal to afford the entire
16 system, which is far from the truth. That, really, as a 5
17 kW system in New Hampshire typically takes care of, for
18 the average New Hampshire home, probably two-thirds of
19 their electrical needs. Obviously, there's a lot
20 better-performing homes now, but there's a lot of them out
21 there that still need a lot of work. And, you know,
22 two-thirds of your annual energy bill is great, but it
23 isn't 100 percent. And, there are some people that would
24 like to do that, pre-purchase their energy for that

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1 period, but can't, because of the law.

2 CMSR. BELOW: Thank you.

3 CHAIRMAN GETZ: When you mention
4 "two-thirds of the average home, a New Hampshire home",
5 what are you thinking about in terms of the average home?

6 MR. WEISSFLOG: The average home, 800
7 kilowatt-hours a month, I believe, is the New Hampshire
8 average, somewhere in there, which is below national
9 average. And, I believe somewhere, 9, 9,600
10 kilowatt-hours annually I think is the average New
11 Hampshire home. So, a 5 kW system, or 4.99, in an average
12 installation, would produce approximately 6,000
13 kilowatt-hours annually; most of it being in the summer, a
14 lot less in December. So, there are customers that peg
15 their decision to "what's the percentage, the solar
16 fraction, that this solar electric system is going to do
17 for me?" Is it 10 percent? Is it one-third? And, you
18 get in a 2 kW system that produces 2,400 kilowatt-hours,
19 you know, that's just shy of 25 percent of their average
20 annual energy consumption. And, while it's very
21 effective, and what we typically do is, when there's a
22 customer that doesn't have energy efficiency improvements,
23 is, obviously, you want to peg that production to the
24 current bill, but we promote energy audits. And, at that

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1 point, they're looking at two-thirds or 80 percent of
2 their energy bill covered by the solar electric system,
3 and then a reduction, which is very easy to do in their
4 consumption on the other side. So...

5 CHAIRMAN GETZ: Okay. Thank you. Stan
6 Nadeau, "Nadeau".

7 MR. NADEAU: Good morning. My name is
8 Stan Nadeau. I'm a selectman of the Town of Milton, New
9 Hampshire. And, I guess I want to talk in different
10 trades than these two gentlemen have. I'm going talk as
11 -- for our small community. There's approximately 3,400
12 people in the Town of Milton, and it's very much a blue
13 collar town. Unfortunately, the education wasn't there of
14 the availability of these rebates. Approximately one
15 month ago, as a Board member, we instructed our Town
16 Administrator to get the ball rolling to get the education
17 there. Start having meetings to get our residents there,
18 to let them see what's available, let them see how they
19 can save on either thermal or electric.

20 My fear is that, now that we got the
21 ball rolling a little bit, and if you people do choose, as
22 a Board, to reduce these amounts, that all my effort's
23 been kicked to the curb a little bit, because I would like
24 to see assurance, first of all, that if you do make a

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1 decision to reduce the existing rebates, that it starts at
2 a certain date. And, everyone that's already applied is
3 covered. They're not going to be reduced. And, I agree
4 with these two gentlemen, a lot of people in our town, a 2
5 kW is very expensive to them. We probably have a 10 plus
6 unemployment rate in Milton, if not closer to 12. Very
7 few, maybe two or three places for employment. It's very
8 much, the old saying, "a bedroom community". And, as a
9 selectman, I'm trying to help people save money. And, to
10 reduce these rates, I could almost bet money that I will
11 not be successful in getting a majority of, if any, of our
12 people to involve the upfront money, because, let's face
13 it, you have to put the money out first, and, at this
14 time, it's very hard to have that money to lay out. And,
15 I, myself, just within the last month, put in a thermal
16 for the domestic hot water. I was unaware of the rebates
17 for the electric. I had dropped off my application today
18 for the electric. And, the timing is not even good for
19 me, and I do pretty well for myself. I have a wedding to
20 pay for. My ex-wife is up to \$28,000 for that right now;
21 I have to pay half of it. It is what it is.

22 But, my fear is that, and I understand
23 you'd like to have everyone share in the pie, but all good
24 things come to an end. And, I feel that, and if you look

1 at the ratio for the thermal, out of \$960,000 that was
2 allocated, there's only about 50, \$60,000 that's been
3 used. So, either the education wasn't there for that, the
4 people weren't told, or that's going, at fiscal end 2011,
5 that money may still be sitting there. So, there's a win
6 there and a loss as far as electric, in my book. It's
7 going to come to an end sooner or later. Not everybody is
8 going to be happy, no matter what their cost is -- or, the
9 amount of rebate is.

10 I, myself, would like to see the rebates
11 stay the same. If, in fact, you do choose to reduce them,
12 I agree with these two gentlemen that it should go on a
13 scale. And, I differ a little bit on the -- only because
14 I'm speaking for the Town of Milton, on the size of the
15 units, 2 kilowatt is probably going to be the 99 out of
16 100 units in our town, if not 100 percent of the units.
17 So, I'd like to see that focused on more, because I think
18 that's the average size house that -- what people can
19 afford to buy. Not so much what they can get on payback
20 for their money, but what they can afford in their pocket,
21 right now, to lay out, and then wait for the rebate and
22 then wait for the tax breaks.

23 Those are my concerns. I hope we get a
24 response relatively quick, so I can know which direction

1 to go, as far as the town, and how far I want to push
2 education to the people. Because I've already talked to a
3 company out of the Portsmouth called "SEAREI". They're an
4 organization of volunteers for solar. And, we already are
5 starting to set up meetings for them to come in and see
6 people, and I'd like to know -- I don't want to give the
7 wrong information. So, please let the town now on your
8 decision.

9 But I would like to see a lot of effort
10 given to the people that really need it the most that have
11 the less to spend, like the small-town people, you know,
12 like Milton, that's a real blue collar town. That's
13 pretty much it. And, thank you for bearing with me.

14 CHAIRMAN GETZ: Okay. Thank you. And,
15 also, what we'll make sure is that, when our decision is
16 issued, that we'll get it out to the complete e-mail
17 address of everyone who showed up today.

18 MR. NADEAU: Now, are your thoughts at
19 this point that, if the Board was to decide to reduce,
20 that it would be reduced at a certain date? That everyone
21 that's applied already would be covered for the existing
22 rebates? Or, do you feel that you might back step it?

23 CHAIRMAN GETZ: Well, I'll turn to Jack
24 on that, whether there's an issue that we have under

1 consideration.

2 MR. RUDERMAN: Sure. And, we've heard
3 from several folks asking "is this going to be
4 retroactive" --

5 MR. NADEAU: Correct.

6 MR. RUDERMAN: -- or is it just going to
7 be some arbitrary date?" And, so, I think we're mindful
8 of that. And, I would imagine that Staff's recommendation
9 to the Commission would be to be able to set a date in the
10 future, that we would give fair notice to everybody that
11 the rebate is going to be reduced as of date X.

12 MR. NADEAU: I think that's the only
13 fair thing to do, if, in fact, that is the decision.
14 Thank you.

15 CHAIRMAN GETZ: All right. Thank you.
16 Matt Currier.

17 MR. CURRIER: Good morning. Matt
18 Currier, with Adros Energy. With the rebates, certainly,
19 we're into solar, talking with customers, the rebate has
20 to be there. The \$3,000 reduction is just not going to
21 have the economics work. So, finding a way to keep that
22 as high as it possibly can. And, I'd also like to see the
23 cap removed. Maybe a 10 kilowatt system, as far as the
24 sizing of the system. Because we're finding, those people

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1 that can afford the solar system, tend to want to have at
2 least half, if not more, of their energy reduced. And,
3 we're really not getting there with the 2 kW.

4 Yes, the 2 kW is the cheapest entry
5 point, if you would, for the smaller system, and that's a
6 good thing to get started. As we say, "just start and do
7 something", whether it's by efficiencies or the 2 kW.
8 But, I think, by looking at the economics and saying "if
9 the rebate goes down to just 3K, the economics, for most
10 of the customers, are not going to work anymore." And,
11 they're just going to stop the investment on it.

12 So, part of me says, "should we exhaust
13 the fund, keep the momentum going that we have with the
14 solar program now, and kind of roll this out and continue
15 to build the momentum that we have?" Because, as you were
16 saying, "education is key." Trying to get the word out
17 and educate is finally starting to work now, we're getting
18 much more interest. Having the 3K go -- cap, really, I
19 think hampers the implementation and deployment of solar
20 systems.

21 So, I'd like to see, certainly, a 10
22 kilowatt, if there is a cap, as far as the size of the
23 system, and then keep that rebate as high as you can.
24 And, the tiered approach may make sense that Mark was

1 talking about, to really incent a larger installation and
2 a bigger rebate to that. Perhaps that will help extend
3 the amount of money.

4 So, other things that I thought about is
5 perhaps energy efficiency measures, or that can be an
6 adder, if they're investing in the audit and doing
7 improvements. Perhaps that's another way to structure the
8 rebate system, to incent those people to be more
9 conserving, and kind of put those two hand-in-hand.

10 And, then, if there is a change,
11 certainly, a clean transition is important. And, how
12 that's rolled out, how do we tell people how much time do
13 they have. Certainly, grab a date, have it go forward. I
14 would hate to see it grandfathered in to already people
15 that are applying and basically making their decisions
16 now.

17 CMSR. IGNATIUS: Mr. Currier, a
18 question.

19 MR. CURRIER: Yes.

20 CMSR. IGNATIUS: You were just tying the
21 idea of possibly incented more efficiency. And, I wasn't
22 sure if you meant to require efficiency, in order to be
23 eligible for rebates, to build up that side of the
24 encouraging of efficiency, in order to take advantage of

1 rebates for actual installations? Or, something
2 different, which would be rebates of the cost of some of
3 the efficiency measures, such as an audit or other actual
4 --

5 MR. CURRIER: I don't know that it has
6 to be contingent on the improvements, but maybe a higher
7 rebate amount if you've done some of the improvements.
8 Done an energy audit, gone to CFLs, or do the different
9 things that you can do to reduce your electric consumption
10 better.

11 CMSR. IGNATIUS: Thank you.

12 CHAIRMAN GETZ: Okay. Thank you.

13 MR. CURRIER: You're welcome.

14 CHAIRMAN GETZ: Mike Fay.

15 MR. FAY: Yes. How are you?

16 CHAIRMAN GETZ: Good morning.

17 MR. FAY: Good morning. I kind of want
18 to build on what Matt was just talking about. And, it
19 didn't occur to me initially. I was trying to figure out
20 how we could, myself, as a retailer/installer could try to
21 get the most bang for the buck. And, one of the things
22 that I found -- I was in the car business a long time ago.
23 And, rebates, you know, motivate people to act. But, if
24 the rebate is there all the time, sometimes people just

1 assume, and there's not that sense of urgency. They
2 assume it's going to be there at all times. I was looking
3 at it, to potentially do something to make it more
4 seasonal. You know, most people are motivated, the people
5 that I talk to, I find the 2 kilowatt system, you know,
6 the most heavily incentivized, is a great way to approach
7 a customer. And, I find very many of them are very
8 excited to know that they can get a \$15,000 system for,
9 you know, 4,000 bucks, you know, with all the
10 subtractions. And, a lot of people build from there, and
11 that's terrific.

12 But, to have the, you know, rebate be
13 available potentially for a limited time, all right, and
14 this is -- I'm just throwing it out for discussion,
15 because I'm not 100 percent sure it will work. But, if it
16 could be done like from April to September, all right, and
17 then maybe step down as funds, you know, tend to dry up,
18 you could do that.

19 But, to add to what Matt was saying,
20 having maybe an energy efficiency rebate program for
21 energy audits in the wintertime, so people that are
22 interested potentially in solar, most people aren't going
23 to want to spend the money. They're not motivated in the
24 wintertime; they're dealing with Christmas, they're

1 dealing with holidays. I don't think business is going to
2 be that great anyway. So, if we can steer the customer
3 potentially to, you know, get an energy audit during that
4 time, and, based on that energy audit, potentially give
5 them a larger rebate, you know, in the springtime, or set
6 it up somehow so it goes hand-in-hand. Because most solar
7 retailers, I think, have other aspects to their business,
8 and they're not looking to, you know, count on solar to
9 keep them afloat the entire year. I think it's a little
10 unreasonable, at least this day and age, or at this time
11 in the trend moving forward, I think it's a little
12 unreasonable to think they can. And, so, most of them
13 have other things that they're selling, renewable
14 products, you know, biomass, coming into the fall, for
15 example.

16 So, you know, to have -- potentially
17 give these people or solar retailers the opportunity maybe
18 to get into energy auditing for their customers as they're
19 approached, it builds great relationships, and it also --
20 I think it's a great way to cast a net wide, you know, and
21 get more people on board. And, it would be a process to
22 where, if it's done properly, I think we could get the
23 most bang for the buck.

24 CHAIRMAN GETZ: All right. Any

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1 questions?

2 (No verbal response)

3 CHAIRMAN GETZ: Thank you.

4 MR. FAY: Thank you.

5 CHAIRMAN GETZ: Kim Frase.

6 MR. FRASE: Thank you, Commissioners. I
7 think the rebate at \$3.00 for a watt, up to 2,000, has
8 probably always been a little steep for the small system.
9 I agree that it's a great sell for a small system. But,
10 in the overall scheme of things, I think it should have
11 been more 4,000 watt, you know, if you're going to drop
12 it, maybe drop it to a dollar and a half a watt for a
13 4,000 watt system. Now, granted, once you put in a 4,000
14 watt system, you're still in the \$6,000 rebate, which may
15 exhaust your funds. But I think you're going to find
16 you're going to have a little less participants, because,
17 you know, some of the smaller systems might not fly,
18 because, you know, the payback isn't quite as good as it
19 had been with the 6,000.

20 CHAIRMAN GETZ: Can I just ask a
21 question? When you said "the rebate's a little steep",
22 you think meaning that it's more than --

23 MR. FRASE: At 2,000, I personally think
24 --

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1 CHAIRMAN GETZ: Excuse me, sir. But
2 only one of us can --

3 MR. FRASE: Oh, sorry.

4 CHAIRMAN GETZ: -- get translated to Mr.
5 Patnaude at a time. I just want to make sure I understand
6 what you're saying. That the rebate was more than was
7 needed, is that what you're saying?

8 MR. FRASE: I think it was -- it may
9 have been, you know, especially where we're at right now,
10 I think, at \$6,000 for a 2,000 watt system, was probably a
11 little more generous than the state needed to be. And, I
12 think, if it had been \$1.50 a watt for 4,000 watt systems,
13 I don't know what your average, Jack probably knows what
14 the average systems have been going out at, and I think
15 it's probably somewhere around 4,000. So, you know, your
16 4,000 to 5,000 watt systems still would be appreciating
17 the maximum rebate. The smaller systems wouldn't get the
18 maximum rebate, but the state would be saving some of the
19 monies in the fund.

20 So, I've kind of always thought that.
21 But, now that we're in the state we're in now, I think
22 increasing the -- increasing it to 4,000, you know, \$1.50
23 the watt up to 4,000 watts would be a good idea, or at
24 least to 3,000 watts for \$1.50 a watt wouldn't be bad.

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1 And, you're going to have a few less participants. So, I
2 think you're going to find, when you crunch the numbers,
3 you know, it's going to be hard say, see in a few months,
4 maybe it wouldn't happen, but you'll probably come out to
5 a similar end result -- well, it would actually be
6 different than if -- I think, if you cut it to \$1.50 a
7 watt for 2,000 watts right now, by basic math, you're
8 going to cut your draw in half, right? You know, just by
9 simple math. But, because you're going to lose so much
10 interest in participants, you're probably going to cut it
11 in half again. So, you're trying to, you know, you were
12 trying to save, you know, a million dollars, like, a
13 million, a million and a half dollars, whatever it was,
14 you would save, you know, twice that. Because people
15 aren't going to be doing it as much as, you know, as they
16 had been. So, I think, at \$1.50 a watt for 3,000 watts or
17 \$1.50 a watt for 4,000 watts, would stretch it out and you
18 would probably have enough money to get through the fiscal
19 year.

20 And, as far as the cap, I agree with
21 everybody else that brought that up. I think a 10,000
22 watt cap for a system would be another good idea. Because
23 one advantage we do have, at least with my New Hampshire
24 Co-op customers, is we can -- we have the Renewable Energy

1 Credit funds that we can use a little bit. And, once you
2 get into a 4 or 5,000 watt system, that number gets a
3 little more attractive, and it starts offsetting the money
4 they're losing, you know, by this reduction in the rebate.
5 So, you know, as far as the Co-op's, and I'm not sure -- I
6 know Public Service doesn't participate in the Renewable
7 Energy Credits, but the Co-op does. So, for my Co-op
8 customers, I have that advantage for the larger systems,
9 you know, a customer could have 3, 4, \$500, depending on
10 the size of the system, to offset, and per year, to offset
11 the money they're losing from the -- well, not "losing",
12 but they're not -- that you're reducing from the rebate,
13 if you change it.

14 CMSR. BELOW: So, just to be clear, what
15 you're saying is that, from a selling point of view, even
16 if a customer maxed out on the rebate they could get from
17 this program, at 3 or 4 or 5 kW system, some people will
18 go ahead and put in a larger system, because both the
19 federal tax credits available, plus they could get --

20 MR. FRASE: Correct.

21 CMSR. BELOW: -- Renewable Energy
22 Credits.

23 MR. FRASE: Correct.

24 CMSR. BELOW: And, for the larger size

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1 systems, 7, 8, 10 kW, it's worth putting in the metering
2 to get the RECs?

3 MR. FRASE: Absolutely.

4 CMSR. BELOW: Okay. Thank you.

5 MR. FRASE: And, you know, at 10 -- you
6 know, like what Mark said, you know, you get your system
7 here, you really need to get to 5.4 to make the math work
8 out right, and you can't. You have to either change the
9 inverter, and then maybe they can't expand on a row,
10 because you had to change an inverter to make it work at
11 4.9. So, it really ties your hand.

12 And, I do disagree a little bit on a
13 commenter, I forget your name, but I don't -- I think,
14 whatever you do, my opinion, I think the rebate should
15 stay year-round, even if it's less. I think starting and
16 stopping a program would virtually start and stop the PV
17 for me. You know, when the program runs out, you know, if
18 people know, in January, that there's not going to be any
19 money till June, I'm not going to make one sale, you know,
20 for that time period. So, I think a lesser rebate is
21 better than no rebate for half a year. As I -- I don't
22 think it's something that should start and stop. It's a
23 challenge you're going to have to try to come up with a
24 magic number of what's going to make it to next July 1st,

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1 and, you know, good luck with that. But I think ending
2 it, you know, for two or three months, you know, it's just
3 going to stop. You're not going to have any. You know,
4 it will stop, because, you know, why is someone going to
5 do something when they know in three months they're
6 probably going to get 6, you know, 3 or 4 or \$5,000 for a
7 system.

8 And, then, Jack kind of answered the
9 question. But I've got four or five applications in, and
10 I'm probably going to have four or five more coming across
11 your desk real soon, because people are afraid that
12 they're going to lose \$3,000 here. I assume you're not
13 sitting on the rebates, you're going to keep processing
14 them, the applications?

15 MR. RUDERMAN: That's correct.

16 MR. FRASE: And, so, when you say you're
17 going to come up with some date at which there will be a
18 cut-off, and I know you don't know when now, but are you
19 thinking it's the date that the application is presented
20 on your desk or the date you've actually approved it?
21 Because it takes four or five weeks for you to get
22 approval, just so my customers can kind of know, "well,
23 I'm thinking, am I going to get a \$6,000 rebate or a
24 \$3,000 rebate?"

1 MR. RUDERMAN: I think the idea is to
2 look at the date that the application is submitted.

3 MR. FRASE: Okay. Good. Because I've
4 got several people right now that are probably going to do
5 it, and they're waiting for me tonight to see what the
6 feel, I know it's not etched in stone, but it may make a
7 difference of the four or five systems that I got on the
8 books right now.

9 CHAIRMAN GETZ: Well, let me just say
10 this, I guess. I can't -- we're not going to say anything
11 definitive from the Bench today.

12 MR. FRASE: I realize that.

13 CHAIRMAN GETZ: We hear what you're
14 saying. And, we'll take it into consideration.

15 MR. FRASE: Right.

16 CHAIRMAN GETZ: And, we'll be very clear
17 in our decision on what the applicable dates are.

18 MR. FRASE: Okay. Yes. Thank you.

19 CHAIRMAN GETZ: Chris Booth.

20 MR. BOOTH: Is it okay to draw something
21 on that board?

22 CHAIRMAN GETZ: Sure.

23 MR. BOOTH: I'm wearing three hats here.
24 Get more money. Okay. I'll introduce myself first. I'm

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1 Chris Booth. And, I'm basically an electrical engineer.
2 I've spent about 15 years designing high-voltage power
3 supplies. And, the last couple of years, I've been doing
4 solar advocacy. I'm been collecting signatures on this
5 petition, which I'm going to give to you. I took out the
6 ones -- I'm collecting signatures from all over the world.
7 And, I took out the ones that don't identifiably have a
8 New Hampshire resident or are just unidentified.
9 Initially, I was just having them sign it. But, more
10 recently, I've been having them add their location, which
11 is a little bit more helpful.

12 And, the thing to look at on this graph
13 here is that, right now -- well, in 2008, the world was
14 getting 0.02 percent of its energy from solar. Now, we
15 can anticipate that, in 20 years, and I really mean that,
16 we'll be getting 65 percent of our energy from solar. We
17 only have two choices: Either pay \$20 a gallon for gas
18 and heating oil or get 65 percent of our energy from solar
19 and 25 percent from wind. There's no other choices
20 available.

21 And, the second hat that I'm wearing is
22 I started a company to build solar panels. And, right
23 now, I'm looking for two pieces of paper; one for the PUC
24 -- well, not really the PUC, but from an electric utility

1 that is a contract to sell the electricity at a fixed rate
2 for 20 years, and a second piece of paper is a contract
3 from somebody that has a large parking lot and is willing
4 to allow me to install solar panels there. Those are the
5 only two pieces of paper that I need. Okay?

6 The third hat that I'm wearing is, yes,
7 I am running for the U.S. Senate. I will be on the ballot
8 in November as an Independent.

9 My recommendation, and since you can
10 anticipate everybody wanting solar on their rooftop, is to
11 -- is to try to get enough money so that, for the first
12 5 percent of the installations, you fund them at \$6,000,
13 up to 4.99 kilowatt. There's actually two programs, my
14 understanding is there's two programs. There's one for
15 systems that are 5 kilowatt and above, and there's some
16 mysterious pool of money available for that group of
17 systems, and there's a second pool of money that we're
18 talking about today for the 4.99 and below kilowatts.
19 And, I'm only going to address the 4.99 kilowatt systems.
20 And, my recommendation is that they be funded, for the
21 first 5 percent of the installations in the State of New
22 Hampshire, that's take how many houses there are in the
23 State of New Hampshire, and 5 percent of them fund them at
24 \$6,000. The next 5 percent, fund them at \$3,000. And,

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1 the next 10 percent, fund them at \$1,500. You're going to
2 have to get more money to do that.

3 Okay. Now, here's the second thing that
4 I want to show you. This is a map of the United States.
5 And, what it does is it multiplies the amount of solar
6 energy that comes in to the United States, times the
7 average electric rate in that state. And, you can't
8 change the amount of solar coming into the state, other
9 than having a lot of pollution and, you know, creating a
10 lot of smog in Los Angeles to, you know, to block the Sun.
11 Other than that, the Sun is going to be the same.

12 Now, if you look at the map, you can see
13 that we, in New Hampshire, Maine, and Rhode Island,
14 Massachusetts and Rhode Island have about the same
15 break-even as California, Arizona, and Nevada. And,
16 that's because we pay a lot for electricity, and that more
17 than compensates for the fact that they have a lot more
18 Sun than we do.

19 The first state to break even was
20 Hawaii. You can buy solar panels for \$9.00. You can't
21 read the numbers there. But, if you bought solar panels
22 for \$9.00 a watt, you'd break even in Hawaii. The second
23 state to break even is Connecticut. If you buy solar
24 panels for I think it's -- I'm going to have to walk up

1 and see, \$5.40 a watt, you'd break even in Connecticut,
2 because they have outrageously high electric rates there,
3 even though it's the same electric company as we have here
4 in New Hampshire. New Hampshire, you'd have to, with
5 incentives, get costs down to \$4 and I think it's 43 cents
6 (\$4.43), something like that, there. And, that's
7 dependent on what the electric rate is. The electric
8 rates have been going up; the amount of Sun doesn't
9 change.

10 So, those are hard numbers that you have
11 to achieve. And, so, for the first 5 percent of
12 installations, you want to get that \$6,000 incentive
13 available, so that they can count on being able -- in
14 business, all you're looking for is "what can you count
15 on?" You know, I said that "I'm looking for two pieces of
16 paper. I want a 20 year contract from somebody who owns
17 land, and I want a 20 year contract from somebody who's
18 going to buy the electricity." And, I can't accept a
19 contract that says "well, maybe for the first six months",
20 or something like that.

21 And, so, all of the homes that are going
22 to install solar, they need to know that this \$6,000 is
23 going to be available. And, if it's going to be cut off
24 because of inadequate funding, then they need to know at

1 least six months to a year ahead of time that that's not
2 going to be, because no sales person can go and sell
3 something if there's no certainty that the numbers are
4 going to work, and that they are going to break even
5 there. Okay.

6 I think that pretty much covers it. I'm
7 also going to give you a copy of my brochure, which has
8 the paragraph about energy. It says "Oil, coal, natural
9 gas, and nuclear are only increasing in price, and are
10 essentially irrelevant and inconsequential in comparison
11 to wind and solar." Thanks. Any questions?

12 CHAIRMAN GETZ: Thank you.

13 MR. BOOTH: Okay.

14 CHAIRMAN GETZ: Pablo Fleischmann.

15 MR. FLEISCHMANN: Thank you very much.
16 I'm not running for any office. I just want to, first of
17 all, say that I think the program that exists now has been
18 very successful and people are excited about it. And,
19 there's a bit of fear that it's going away. And, you
20 know, that's part of reality.

21 I'm assuming, on one level, that you
22 will revisit this in a year from now, once we know what
23 the fund looks like in July 2011. That any decision
24 that's made, that's proposed now, will have to be

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1 reevaluated to try to keep the percentages balanced?

2 CHAIRMAN GETZ: Well, I think it's fair
3 to say, over time, as -- if there are changes in the
4 Alternative Compliance Payments, and if the Renewable
5 Energy Fund fluctuates significantly one way or the other,
6 we'll always be looking at that.

7 MR. FLEISCHMANN: Right. I just was
8 making that as a statement. I just sort of assumed that.
9 And, I think that other folks that have mentioned, if
10 there's any way to phase this in, as opposed to, you know,
11 being very abrupt, would be wonderful. I'm sure that
12 Jack's office is seeing an influx, a steep increase in the
13 last few weeks, once the docket order was put out. I know
14 that people are just scrambling, and it's actually hard to
15 keep up with on the ground. So, whatever way you can
16 phase this in and give us as much time as possible to
17 acclimate to the new program. I think, also, the \$1.50 a
18 watt is a decent compromise, considering the limited funds
19 available. But that if we could have a tiered cap of some
20 sort would be a little nicer way to go. So, that "4,500"
21 I heard mentioned, or even keeping the 6,000, or tiering
22 above a 2 kilowatt system. So, whether, as Mark Weissflog
23 said, a reverse incentive, or the other way, where, after
24 the \$3,000 rate is achieved, maybe \$1.00 a watt, up to,

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1 you know, a new cap of 4,500 or 6,000. Just trying to be
2 creative with the realities of the fund.

3 And, which leads me to, I think, the
4 most important thing that actually hasn't been raised, and
5 I don't know what the PUC can do about this, is to
6 actually try to achieve the sustainability of the fund, so
7 that we don't have to revisit this based on an unknown
8 entity. I haven't heard anyone raise the words "Systems
9 Benefits Charges" as a possibility of phasing in more
10 money into this type of program. I think the rebates are
11 essential for keeping business consistent. And, I don't
12 know how effective the System Benefits Charge that the
13 utilities are collecting, how are they really benefiting
14 people, and if we can actually tap into them from the
15 sustainability aspect of things, I'd love to see that.

16 That's about it. I think, other than
17 that, I'm reiterating -- would be reiterating what other
18 folks have said.

19 CHAIRMAN GETZ: All right. Thank you.

20 MR. FLEISCHMANN: Thank you.

21 CMSR. BELOW: Before you go, did you
22 want to weigh in on the question of whether the 5 kW cap
23 matters?

24 MR. FLEISCHMANN: It is difficult to

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1 work around. But I'm working in the Monadnock Region, and
2 I'm finding it just amazing how many people actually
3 benefit with the smaller systems. So, it is difficult and
4 somewhat arbitrary to just pick a number of 5 kilowatts.
5 So, I can see the benefits of removing that.

6 CMSR. BELOW: Thank you.

7 CHAIRMAN GETZ: Thank you. Tyson
8 Miller.

9 MR. MILLER: Hi. How are you today?

10 CHAIRMAN GETZ: Good morning.

11 MR. MILLER: My name is Tyson Miller.

12 I'm on the Canterbury Planning Board. Canterbury has been
13 fortunate to just receive an EECBG Grant from the federal
14 government to build solar photovoltaic PV systems for the
15 Town for three of our buildings; two 15Ks and one 5K.
16 Part of that grant is to encourage and be open, well,
17 we're actually going to the classrooms, talking about our
18 photovoltaic. We're going to be showing any Legislature
19 -- legislators or other town officials around. We're
20 trying to get the ball rolling in Canterbury, and there's
21 a lot of interest in the public on doing their own
22 photovoltaic.

23 I think cutting back on these incentives
24 at this point is just almost in reverse of the way the

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1 country seems to be going. We have other encouraging
2 things in the works, like prices of solar photovoltaic is
3 slowly going down. We have the PACE Program, if you're
4 familiar with that, which may go back into gear, which
5 allows the towns to put together energy districts and
6 provide bonded money to homeowners to build photovoltaic,
7 which sort of eliminates the need -- the worry about
8 having a 25 year payback. Because the Town can then
9 collect the tax, they actually had the payback on the
10 individual house's taxes. And, if the person sells a
11 house after five years, the payback continues to the Town.
12 So, if you're investing for 25 years, you're not really
13 having to worry about having to stay in that house.

14 But I'd like to look at the big picture,
15 too. I see the Public Utilities Commission, I see the
16 utility -- the emphasis should be more now on the grid
17 than the generating of electricity by the big utility
18 companies. Down the road, I could see individuals
19 actually producing more electricity than they need in
20 their houses, and that electricity going into the grid
21 system. Back in college, there was the old saying that
22 "the railroads went out of business because they
23 considered themselves as train companies, and not
24 transportation companies." And, I think the utilities

1 should start thinking of themselves as a grid system, with
2 the homeowner as a partner, that they may then -- somewhat
3 who might be taking away from the power that they're
4 generating and the sales they're selling. This could work
5 with paying the homeowner for the wattage they're
6 producing over and above their needs, say, at wholesale
7 rates, like they're paying the other providers of
8 electricity they're buying from. This would encourage
9 people to build larger photovoltaic systems. And, you
10 could get away from incentive programs if people can
11 actually earn money, at the same time they're paying
12 nothing on their electric bill.

13 I'm pretty much an amateur at this, and
14 I don't know what kinds of incentives the Public Utilities
15 Commission has got. So, I'm just speaking from the point
16 of view of a layman. But I would also like to reiterate
17 to get more money for it that Mr. Booth stated. And,
18 that's it.

19 CHAIRMAN GETZ: Okay. Thank you very
20 much.

21 CMSR. IGNATIUS: One question.

22 MR. MILLER: Sure.

23 CMSR. IGNATIUS: Mr. Miller, by
24 encouraging not reducing the rebates, and, as you say, not

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1 go the opposite direction that everything else seems to be
2 going on energy policy, the result with a limited fund
3 would be the program would run out fairly quickly. Is
4 that your view? If you have to choose one, one bad result
5 or another, that would be preferable, to use it up with
6 some higher rebates and end the program until more funding
7 comes through?

8 MR. MILLER: It's sort of a choice
9 between two evils, but I guess I would want to -- I would
10 choose to lower the rebates, to have some money going out
11 there than none. But, again, I think the big picture
12 should be that the utilities -- well, I think I'm correct
13 that, if you reach the limit of your house's use on your
14 meter, they don't pay you any money. That's the end. Is
15 that correct? You don't actually get money as a credit
16 from the utilities at the end of the year, if you generate
17 more electricity than your house would use.

18 CMSR. BELOW: The law has just changed
19 in that regard.

20 MR. MILLER: Oh, it has.

21 CMSR. BELOW: But there's some
22 implementation work to be done.

23 MR. MILLER: I see. But, thinking of
24 the home provider as a partner, and for energy

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1 independence, which, under the EECBG Grant, people always
2 thought of that now lately as incentive money, when
3 actually it came from the previous administration as
4 national security, to get off the use of foreign oil.
5 And, the more we have, we redistribute this generating
6 power around the community, the more independent we're
7 going to be. And, even if a large power source in this
8 country were to go down, we would still have some
9 generating ability coming out of our local homes,
10 etcetera. Thank you.

11 CHAIRMAN GETZ: Thank you. Is there
12 anyone else who would like to speak before we hear from
13 Mr. Ruderman? Ma'am.

14 MS. HATCH: Hi. My name is Jen. I'm
15 with Revision Energy. We're renewable energy solar
16 installers. We're actually based in Maine, but we're
17 opening in New Hampshire. We also do work in New
18 Hampshire. To reiterate some other people's comments, I
19 think what we would like to see is a slight reduction in
20 the rebate versus an abrupt halt in the rebate. I think
21 what we've seen in Maine, our experience, is when they
22 have money and then run out of money, it makes it very
23 difficult for us to manage people's expectations about
24 what they're going to be able to have available to them

1 for incentives. I think \$1.50 per watt installed is a
2 fair number to put out there. And, I think \$4,000 as a
3 cap, versus 3 or 6, is also a good compromise. Where, if
4 6 is too much for the program to sustain; 3,000 might be
5 too small for -- to actually incentivize people to do a
6 system that they wouldn't otherwise do without that
7 rebate.

8 I know that the Maine state rebate is
9 \$2,000 right now, and we are still selling solar electric
10 systems. I think that's on the lower end. New Hampshire
11 rebates, at \$6,000, is very progressive, in my opinion.
12 And, if it can't sustain, I think \$4,000 is a good
13 compromise, versus 3.

14 My main concern, because I deal with a
15 lot of the paperwork for our clients, is being able to
16 manage our clients' expectations. So, whether, I think
17 someone made the point, is it going to be -- the rebate,
18 are they going to get \$6,000 when the application arrives
19 at the PUC's desk or when it actually gets approved?
20 Because, in our experience, it has taken weeks for
21 approval to, you know, happen, because if whether, if we
22 can't, you know, we might have a hard time getting a
23 permit from the town, which is required, or the site
24 survey might come back to us, because it was incorrect the

1 first time. So, whatever the case may be, there's a lot
2 of back-and-forth that takes weeks before we can actually
3 say "yes, your rebate's been approved." And, so, you
4 know, they also have to sign a contract. So, if they --
5 no one wants to sign a contract with us without knowing
6 what their rebate is going to be. So, that can be
7 difficult as well. So, being able to manage those
8 expectations and having a clearer deadline that, at this
9 date, any applications that arrive at the PUC's desk will
10 be approved at 6,000, versus, beyond this date, 4,000.
11 And, I think we'll see a huge flood of applications come
12 in. So, that will be another thing to think about as
13 well.

14 And, I think, for the 5 kilowatt versus
15 the 10 kilowatt, I see no reason why 10 kilowatts couldn't
16 be approved for residential systems. I think, you know,
17 why not let someone have a bigger system, if that's what
18 they want. The typical size residential system, in our
19 opinion, experience, anywhere between 2 kilowatts to 7 or
20 8 kilowatts. So, why not let them do a bigger system, if
21 they can afford to and want to. That's all I have.

22 CHAIRMAN GETZ: Thank you.

23 MS. HATCH: Thanks.

24 CHAIRMAN GETZ: Mr. Ruderman, do you

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1 have any comments?

2 MR. RUDERMAN: I do. Thank you, Mr.
3 Chairman. I guess the first thing I'd like to stress,
4 because I think some of the folks in the room understand
5 this, but others may not, is that what we're doing here is
6 we're acting out of necessity. This isn't just "hey,
7 maybe the rebate is a little generous, let's knock it down
8 and bring it in line with other states." That's not
9 necessarily the thought process. What we have is a
10 program that has been hugely successful. And, I think has
11 gone way beyond any projections that any reasonable people
12 had when we first started. We've been in operation for 13
13 months. We've received 443 rebate requests under this
14 particular program, totaling requested rebate funds of
15 more than two and a half million dollars. And, that is
16 not sustainable, given the funding pool that we are
17 working with. And, as Mr. Fleischmann pointed out, it is
18 a very unpredictable funding pool. One that has seen
19 tremendous fluctuations in only its first two cycles, from
20 4.5 million in July 1, 2009, to 1.3 million which just
21 came in this past July 2010.

22 So, we don't have a lot of money to work
23 with. What we had budgeted prior to this proceeding in
24 the companion proceeding, DE 10-212, concerning the

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1 Commercial Rebate Program that we are developing also, if
2 you look at the budget that was presented in the Staff
3 memo to the Commission in that docket, we had set aside
4 roughly \$950,000 for this particular rebate program, the
5 residential program for installations of PV and wind under
6 5 kW. And, as was pointed out in the opening remarks from
7 the Bench, we're currently going through, typically we're
8 seeing at least 20 applications a month, requesting, on
9 average, \$5,800 in rebate funds. We're at a pace where,
10 if we don't make any changes, at the end of the year we
11 will have spent at least 1.4 million. So, we're close to
12 500,000 over budget, if this rate of applications
13 continues. And, that leaves us in a very -- or, would
14 leave us in a very difficult position.

15 The program is mandated by law. HB
16 1628, enacted in 2008, requires us to operate this program
17 and to make these rebates available. It does give us --
18 we do now have authority, due to the recent legislation,
19 to make an adjustment in the level of rebate funds that
20 are available. But the legislation says "we shall provide
21 rebates for systems under 5 kW."

22 So, with a shortfall, we would have two
23 options. You know, one would be to suspend the program,
24 as people here have talked about; obviously problematic,

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1 if we're under a mandate to make the program available.
2 Secondly, very likely to have a very negative impact on
3 the industry that has sprouted up in response to this
4 rebate program, so all of the installers and the
5 electricians and others who are participating in the
6 program and have come to depend on, we would end up with,
7 you know, the stop-and-start model that we have heard so
8 much about from folks who manage these funds, funds
9 typical -- I'm sorry, funds similar to these in other
10 states. What we have heard is the most devastating thing
11 that you can do to a developing industry is to have a
12 rebate program and to go off a cliff and then shut it
13 down. And, then, you've got a situation where employers
14 have ramped up, they have bought equipment, they have
15 brought on new employees, they have trained people, and
16 all of a sudden they can't support their own business,
17 because the program vanishes.

18 In addition, you have a public that is
19 very disappointed and frustrated, and unhappy that some
20 people got in and got their rebate, and then others, who
21 didn't get in at that time, now have no way to access
22 rebate funds.

23 So, the other option would be
24 essentially to keep spending at this rate and eat into

1 funds of other programs. And, that would be very
2 problematic, because that money would likely have to be
3 diverted from the Commercial/Industrial Program that we're
4 just developing, which itself has a very modest budget.
5 And, in view of the legislation that Commissioner Below
6 referenced, last session's HB 1270, we have to balance the
7 expenditures of funds in this program in proportion to
8 retail sales for the residential sector versus the
9 non-residential sector. And, the split there is roughly
10 41 percent residential, 59 percent for the non-residential
11 or commercial and industrial sector. So, there's just a
12 reality here that we have got to figure out a way to spend
13 less money on this program, as successful as it is and as
14 important as it is to continue it and keep it going.

15 I think it's noteworthy that the
16 proposed reduction to \$1.50 per watt rebate is very
17 consistent with other states in the region. We've done
18 some research on rebate programs in other states in the
19 Northeast, and, in fact, in other regions. There's no
20 program in the country that I'm aware of that offers \$3.00
21 per watt. Most programs are at somewhere between \$1.00,
22 \$1.50, maybe \$1.75 per watt. So, I think what we're
23 proposing is fairly reasonable. And, I think it's
24 reasonable to assume that, if that rebate is set at -- if

1 the rebate is at that level in other states, in that many
2 other programs, it must be pretty close to the tipping
3 point, the amount you need to actually incent people to
4 buy these systems.

5 I do hear the concerns that folks have
6 expressed today about sort of an abrupt shift from \$3.00
7 to \$1.50. And, we've had several speakers propose that we
8 phase that in. And, I think that's, you know, a very
9 interesting suggestion, and one that we should give
10 serious consideration to. I'm not prepared today to, you
11 know, sort of to make a definitive recommendation
12 regarding that, but it certainly seems to me like that's
13 something we should keep in the mix and take a look at as
14 we move forward.

15 Another point I wanted to mention, in
16 terms of the rebate amount, and whether it's enough to
17 continue to draw New Hampshire citizens that's investing
18 in these systems, is we have to keep in mind also that
19 there has been a decline in the prices for PV panels over
20 the last several years, and even over the last, you know,
21 12, 13 months that our program has been operating. So, I
22 think that also speaks to the reasonableness of looking to
23 reduce the amount of rebate that we're offering.

24 We also have heard a lot of comments

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1 today about this 5 kW cap and a recommendation that we
2 should lift it. And, I've received phone calls over the
3 year, I have heard this from many folks out there. I
4 don't disagree with that at all. I do think there is
5 potentially an issue of whether the PUC has the authority
6 to do that unilaterally. HB 1628 set that cap at 5 kW.
7 And, HB 1270 gives us the authority to modify the rebate
8 program. It's an open question whether or not that would
9 include actually changing the parameters of the system
10 size that was established by the Legislature. So, I think
11 that's something, frankly, that we need to spend some more
12 time looking into as a legal issue.

13 We also have heard concerns that some
14 folks may have applications in to the PUC. And, if we
15 reduce the rebate, that those applicants, who had expected
16 the full rebate currently offered, would, sort of without
17 much notice, find out that their rebate was reduced. I
18 don't think that's the intent here. As I've stated
19 before, the idea would be to provide notice ahead of time
20 to the installers and to the general public that a rebate
21 reduction is going to happen, and it will be phased in as
22 of a certain date. And, applications that are received
23 prior to that date will still receive the full rebate
24 amount at its current level. So, I think that's something

1 that is -- we should be firmly committed to, and I don't
2 see any reason why we couldn't do that.

3 I guess the last thing I would comment
4 on is Mr. Fleischmann's comment about the funding
5 mechanism here, and that it presents a challenge. And, I
6 would just like to say that that is a reality. And, it's
7 something, I think, that probably is the province of the
8 Legislature. But, as the Fund Manager, I do have to say
9 that, not knowing how much money will come in each year
10 ahead of time, and, you know, really having no clue
11 sometimes whether we could be talking about a million
12 dollars or \$10 million, does make it very difficult to
13 plan programs, to budget for programs, and to ensure the
14 program continuity that everyone here I think recognizes
15 is so important to keeping these programs on track and
16 running successfully. So, that's a challenge we're
17 dealing with. I don't know that we will be able to
18 resolve that in this docket, in fact, I'm pretty certain
19 that we won't be able to resolve it in this docket, but I
20 think it's a very important point.

21 So, that pretty much concludes my
22 remarks. I'm happy to take any questions you may have.

23 CMSR. IGNATIUS: Mr. Ruderman,
24 Mr. Nadeau, I think it was, from Milton, said that, if I

1 followed it correctly, that he thought that only \$60,000
2 had actually been expended in rebates? And, if I
3 misstated your comment --

4 MR. NADEAU: That was on the thermal,
5 that was on the thermal rebate, not on the PV. That was
6 the thermal.

7 CMSR. IGNATIUS: Thank you.

8 MR. NADEAU: But, just for scale, I was
9 trying to relate back to scale how the education wasn't
10 out there.

11 CMSR. IGNATIUS: Thank you. That helps.
12 Just to be certain, the amount that's actually been
13 expended in rebates over that 13-month period, you gave us
14 the amount that was requested, with the 443 applications
15 coming in. How much has actually been sent back out?

16 MR. RUDERMAN: \$1,686,000.

17 CMSR. IGNATIUS: And, that's in how many
18 different installations?

19 MR. RUDERMAN: I don't have that number
20 in front of me right now. I'm sorry, I do. It's 296.

21 CMSR. IGNATIUS: And, then, there's
22 another handful that are pending with your office right
23 now?

24 MR. RUDERMAN: Yes, I would say more

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1 than a handful. In fact, I believe we received 27
2 applications yesterday. So, there seems to be quite the
3 rush as word has gotten out about this proceeding and the
4 direction that we're considering.

5 CHAIRMAN GETZ: Well, the pending
6 applications would be the 443 number that you mentioned
7 earlier, minus the 293 number?

8 MR. RUDERMAN: Yes. Exactly.

9 CHAIRMAN GETZ: So, the hundred and --

10 MR. RUDERMAN: 296.

11 CHAIRMAN GETZ: All right. Thank you.

12 And, do you have updated numbers on the Thermal Program?

13 MR. RUDERMAN: The last I checked in, we
14 were up to over 50 applications. And, I'm going to guess
15 that represents over -- requests totally more than
16 \$200,000 in rebate funds.

17 MR. NADEAU: If I may, I printed this
18 off this morning, the graph of what's been allocated.

19 CMSR. BELOW: It's probably important to
20 note that the vast majority of the money in the Solar Hot
21 Water Program is federal ARRA funding that came through
22 the Office of Energy & Planning. So, for this fiscal
23 year, we only have tentatively budgeted or budgeted
24 250,000 as the state sort of matched to leverage those

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1 federal dollars. So, though, it's a significant program
2 that has a long ways to go before it uses up the money,
3 most of that money is federal money that we're leveraging
4 with only \$500,000 over this year and next year from the
5 Renewable Energy Fund.

6 CHAIRMAN GETZ: All right. Commissioner
7 Ignatius just pointed out that we've received some e-mails
8 and other things in writing. And, of course, we'll put
9 those in our docketbook, and they will be available on
10 line, as will the written comments that we expect by
11 September 7th.

12 So, is there anything further this
13 morning?

14 MR. NADEAU: If I may? There's a couple
15 things. One, what also happened with the house sales,
16 when they discontinued the rebate or the credit, for the
17 federal credit, is when the house sales went -- they came
18 to just about a stop. So, that shows history of what the
19 public's action is going to be when you eliminate either
20 credits or rebates. I agree that, you know, you got to
21 look at this before it comes to be an elephant in the
22 room. But I don't want, and I hope that the Board takes
23 in consideration that you don't know someone's income by
24 going by and seeing a solar panel on their roof. I think

1 the people that need it the most should be more -- it
2 should be -- the former should be zoned into them more
3 than wealthy people. I feel that this 5 K and above is
4 not the norm, for my town especially. I think 2 or 3 K is
5 the norm. I feel that the system right now, the formula
6 is set where -- somewhat right. Obviously, the amount of
7 rebates is in discussion, and probably going to change.
8 But I would like to see a lot of consideration given to
9 the people that need the assistance more. And, that's
10 not, obviously, above-average income people.

11 I don't know if I'm getting across what
12 I'm trying to say here?

13 CHAIRMAN GETZ: No, we understand your
14 point.

15 MR. NADEAU: All right. I think the
16 people, you know, because I think the average income in my
17 town is like \$30,000. That's nothing. And, these people
18 need help. And, this is one way of getting them help.
19 All right? Thank you very much.

20 CHAIRMAN GETZ: Mr. Booth.

21 MR. BOOTH: May I have add one, one
22 thing. I want to add something about net metering. That
23 all of these people that are getting solar on their
24 rooftop are going to be using net metering. Net metering

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1 is just an accounting procedure, it's not something you
2 apply for. You know, when you get your electric bill, if
3 it's negative, well, then you roll it over to the next
4 month. And, at the end of year, you know, which you need
5 to decide when to do it, don't do it during the summer,
6 but do it during the winter, then you figure out what to
7 do with what's left over at the end of year there. And,
8 there's two states, Ohio and Arizona, that have no limits
9 on net metering, on any amount system. You know, you can
10 have a 5 gigawatt system and still use net metering in two
11 states. And, I think, in New Jersey, there's no limit on
12 the number of consumers that have net metering, up to I
13 think it's 2 megawatts. And, that's the sort of program
14 that I'd like to see in New Hampshire, is just accounted
15 -- it's considered an "accounting" procedure, not
16 something that you apply for. And, that it be available
17 to all consumers, up to, you know, a megawatt, or even
18 5 megawatts. Five megawatts is an important number,
19 because at that point you have to go directly to the New
20 England Power Pool, you can't go through the power
21 company.

22 CMSR. BELOW: Just so you're aware, the
23 -- we, of course, do have net metering in New Hampshire.
24 And, the Commission did work closely with the Legislature

1 to work on modifying that law, so it now does provide for
2 up to 1 megawatt size systems that can be net metered.
3 And, there is also a provision that the surplus could be
4 paid for.

5 MR. BOOTH: Right. That's fine. But
6 it's an accounting procedure, it's not something that you
7 apply for, you know, and there's no cap on it. That's
8 what you have to consider it as. You know, it's not
9 something -- you don't apply for net metering. You just
10 -- if you're -- you know, net metering should -- and solar
11 should be just like going out and buying a toaster or an
12 air conditioner. You know, you plug it in and you add
13 power to the Grid, just like, you know, you don't apply to
14 the electric company to get a toaster or an air
15 conditioner, and you shouldn't apply to the electric
16 company to put solar panels on your rooftop. If your bill
17 at the end of the month is negative, guess what? You were
18 generating electricity, and you get a credit that gets
19 rolled over. You know, so it's just an accounting
20 procedure. It's not something that you should be asked to
21 apply for. And, the cap in New Hampshire -- by the way,
22 the first person to site solar energy on a rooftop was Tim
23 Meeh, who is the person who worked with you in getting the
24 net metering law established here in the State of New

1 Hampshire. Thanks.

2 CHAIRMAN GETZ: All right. Thank you.

3 MR. MILLER: Just a quick addition. I
4 believe the Town paid \$600 to the Public Utility -- to
5 Unitil for its net metering application, which is a cost
6 to add onto everything else.

7 CHAIRMAN GETZ: Okay. Anything further?

8 (No verbal response)

9 CHAIRMAN GETZ: Okay. Hearing nothing,
10 then we'll close this hearing and take the comments under
11 advisement. Thank you, everyone.

12 (Whereupon the hearing ended at 11:32
13 a.m.)

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