

From: Joe Harrison [JHarrison@nhcdfa.org]

Sent: Tuesday, December 02, 2014 4:58 PM

To: Nixon, Elizabeth

Subject: C&I Solar Rebate Program changes - comments - DE 10-212

Hi Liz,

I wanted to take an opportunity to file some basic comments with you on the proposed changes to the PUC C&I rebate program.

- Great job overall. I fully support an increase to the max system size as a means of encouraging more development in this space, helping the state reach it's renewable energy goals, supporting and creating clean energy jobs, and creating a more stable environment to encourage increased private investment. I applaud you and your colleagues at the PUC for making this recommendation.
- I would encourage the PUC to have the max system size (500kW) be an AC system size. Developers still use predominantly a central inverter infrastructure, and central inverters traditionally come in 100, 250 and 500kW increments. 500kW DC is much more awkward than 500kW AC. At 500kW AC economies of scale will be realized because you can purchase a single 500kW AC inverter (the most common size) and then max it out using a 1.3 to 1.4 inverter loading ratio, resulting in a system size of 650 to 700kW DC. While this will allow for slightly larger systems, the bigger impact will be on driving down the cost of solar which is the main goal of an incentive program.
- I would also encourage the PUC to move to a declining block structure for these rebates. Other states such as MA have had tremendous success with setting up schedules for declining rebates. There are several reasons why this is effective.
 - 1. It's just good policy. The intent of a rebate program is to encourage development in order to reduce the installed cost of the technology with increased scale so that eventually it can complete without the incentive. By having the rebate decline over time it creates a need for value engineering and innovation to ensure that these systems continue to decrease in cost and increase in efficiency.
 - 2. It creates a cliff scenario which always creates a flurry of development. As long as the date is well published developers will be able to use this date by which the rebate will decline to create urgency with the owner which will encourage development. Sometimes project owners need a reason to invest NOW, otherwise why not wait for panels to continue to come down in price if I am confident the rebate will remain at its current level for the foreseeable future.
- Net metering - system size and credit value – while not applicable to this docket, I wanted to note that I see an increase to the 100kW limit for receiving full retail net metering value as crucial for larger projects to make financial sense and ultimately take off in NH. Having a rebate for larger projects is important, but only receiving whole sale or supply only credit (if group net metering) during times of net metering for projects over 100kW greatly hurts the economics for these projects. It also means that the larger systems will likely be limited to large industrial users who are sure to never net meter (thus always receiving the full retail rate for the solar electricity). In reality, distributed generation can be consumed behind the meter or somewhere else along the grid and that electricity is still just as valuable.

Thanks,
Joe



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