

NEW HAMPSHIRE
SUSTAINABLE ENERGY
ASSOCIATION

Docket DE 10-212

Comments on Changes to the Commercial & Industrial Solar Incentive Program
Submitted by the NH Sustainable Energy Association

March 7, 2016

Dear Chairman Honigberg and Commissioners Scott and Bailey,

Thank you for the opportunity to comment on Staff's very thoughtful recommendations to re-open the closed Category II of the C & I solar incentive. We believe these changes will improve and streamline the entire program. NHSEA asks that you consider and adopt our recommendations below, and we ardently request that you expedite the process for approving any final program changes and re-open Category II of the program.

- 1. Maximum capacity of system size.** NHSEA recommends that the cap for project size be lifted to 1000 kW. If the intent of Staff is to limit the total dollars allowed per system, having a cap on the total incentive will ensure that. If an entity is able to develop a larger project at a capped rebate level, the Commission should allow that project to proceed. Aligning the size limit with the net metering limit (the current limit in NH) also serves to potentially leverage greater amounts of private investment against limited public funds while supporting a broader range of solar projects. This parameter is also appropriate given the exclusion of all—large and small—solar projects from the Commission's annual competitive RFP solicitation.
- 2. Incentive Levels.** We recommend that the Category I incentive be set at \$0.60 per Watt and the Category II incentive be set at \$0.50 per Watt. This reflects the continued decreases in solar "hard costs" while acknowledging realistic payback expectations of solar adopters and the fluctuating "soft costs" that exist, often at different amounts, across NH communities. While a tiered or a production-based incentive system may be economically more optimal in the future, this program has been under suspension for far too long and we strongly encourage the Commission to adopt a rebate system that is readily implementable by Staff.
- 3. Rebate/grant limits as percentage of total costs.** NHSEA agrees with Staff on limiting the use of USDA REAP (or other non-Commission) grants or rebates in combination with the Commission C&I incentive. Simple arithmetic shows that for a for-profit entity able to capture the ITC (30% of project costs) and special accelerated depreciation (~25% of equivalent project costs value), using a REAP grant (25% of installed costs) with the full C&I incentive of 25% of project costs would give a project owner nearly, if not more than, 100% of the total project costs. This is unnecessary and does not facilitate true market transformation. NHSEA does recommend however, that Low and Moderate Income entities, as well as political sub-divisions of the state and other non-profits (particularly tax exempt organizations that cannot benefit from other tax-

based incentives), be allowed to use both a REAP grant and a Commission C&I incentive simultaneously, as is currently the case.

4. **Onsite load requirements.** NHSEA strongly recommends that the Commission drop the onsite load requirement. While we appreciate the intent of the Staff to spread scarce funds around to appropriate projects, there are countless examples of appropriate projects that employ group net metering where the onsite load of the host simply wouldn't be 50% (or a lesser amount) of the total group load. One example is a single homeowner among three neighbors – who all have similar annual loads and wish to size the system to meet all. Another set of examples include private college campuses that have multiple meters but have only one good site at a meter with a minimal load compared to that of other locations. Without a compliant meter that has sufficient load, the opportunity to deploy solar for the entire entity/facility will be negated. This concern is heightened when considering options for providing shared benefits to low and moderate-income families through group net metering. In many cases, group net-metered projects can be installed on site but not behind a qualifying meter under this restriction. Families living in manufactured housing communities and multi-family units may not have a single meter with the load sufficient to meet this requirement on site. As a result numerous families will be shut out of the program or will require multiple systems to meet the regulations, driving up costs, to achieve the same objectives.
5. **Application structure and timelines.** NHSEA supports Staff's recommendation to streamline Step 1 and hold the applicant/developer rigorously responsible for program compliance and participation during the complete application and project process.
6. **Applicant Cap.** NHSEA supports a reasonable applicant cap on total rebates earned during a given program year in order to facilitate competition and resiliency in the solar market in NH. We recommend that instead of limiting the cap to four applications, the cap be set at a total incentive earned dollar amount, over the course of the budget year. For example, the cap could be set at \$600,000, which is equivalent to four rebates at \$150,000 per project. If other installers are doing projects of smaller values, e.g. 101 kW, the applicant cap of four applications might be unduly limiting.

NHSEA also agrees that Staff and/or the Commission will need to use legal and programmatic discretion in order to enforce and cap and to prevent gaming of this requirement. This is expected and reasonable in order to uphold the spirit of this requirement.

Thank you for your consideration.

Sincerely,

Kate Epsen
On behalf of
The NH Sustainable Energy Association