



Rural Development

March 7, 2016

Vermont and New
Hampshire
State Office

87 State Street,
Suite 324
P O Box 249
Montpelier, VT 05601

Ms. Debra A Howland
Executive Director
NHPUC
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Voice 802.828.6080
Fax 855.794.3680
TTY 711

Dear Ms. Howland:

www.rd.usda.gov/vt

I am writing to provide input on the February 18, 2016, Commission Staff memo recommending a number of substantive and administrative changes to the Commercial and Industrial Solar Rebate Program (Order No. 25,151 as expanded by Order No. 25,764).

www.rd.usda.gov/nh

The United States Department of Agriculture administers several grant and loan programs aimed at providing farms and small businesses capital to make energy efficiency and renewable energy investments. USDA Rural Development's Rural Energy for America Program has provided 126 New Hampshire farmers and businesses more than \$5 million since 2009 incentivizing new renewable energy systems and energy efficiency upgrades. The program provides up to a 25 percent grant for the project cost (not to exceed \$500,000 for renewable energy projects or \$250,000 for energy efficiency projects). I am concerned that proposed changes to the Commercial and Industrial Solar Rebate Program could limit an applicant's ability to leverage federal funding, decreasing the number of solar projects developed in the future.

Specifically, the staff memo proposes to limit the combined local, state and federal rebate to 25 percent of the project cost. The memo further proposes to make any USDA REAP grantee ineligible for the Commercial and Industrial Solar Rebate Program. USDA grantees regularly depend on private, local, and state funding in combination with USDA's grant and loan programs to complete a project. Limiting an applicant's ability to utilize multiple incentive programs may have a detrimental impact on future renewable energy generation development.

Further, I am concerned that New Hampshire may be inadvertently discouraging solar developers from applying for the REAP grant program. As the REAP program would provide a similar benefit as the Commercial and Industrial Solar Rebate Program, an applicant likely would chose the state program over the federal program, as applicants perceive the state application and process to be less burdensome. As more than 90 percent of the New Hampshire REAP projects funded in FY2015 were solar, I fear future applicants would skip the REAP program, putting additional stress on the state's applicant pool and potentially underutilizing USDA's resources.

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The REAP Program is extremely competitive nationwide, but our Congressional Delegation has ensured that each state, including New Hampshire, receives an allocation of grant money. Should USDA not receive enough highly competitive applications, the state allocation would be returned to Washington, DC where other states would then compete for the funding. In FY2015 alone, nearly \$1 million would have been returned to Washington, DC had the more than two dozen New Hampshire businesses seeking solar improvements opted for the state over USDA.

While I fully support allocating limited resources fairly to as many benefiting businesses as possible, I am concerned that the specific REAP restriction and combined benefit restrictions could inadvertently reduce the amount of federal funding coming to New Hampshire to promote renewable energy generation and energy efficiency.

Sincerely,

A handwritten signature in black ink that reads "Ted Brady". The signature is written in a cursive, flowing style.

Ted Brady
State Director / New Hampshire and Vermont
USDA Rural Development