STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: December 3, 2015 **AT (OFFICE):** NHPUC

FROM: Elizabeth R. Nixon, Energy Analyst

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SUBJECT:

DE 15-271, Examination of Electric Distribution Utility Interconnection and Queue Management Processes for

Net-Metered Customer-Generators

TO: Martin P. Honigberg, Chairman

Robert R. Scott, Commissioner Kathryn M. Bailey, Commissioner

Debra A. Howland, Executive Director and Secretary

CC: Karen P. Cramton, Director, Sustainable Energy Division

David K. Wiesner, Staff Attorney

The Commission initiated this docket to examine electric distribution utility interconnection and queue management processes for net-metered customer-generators, in view of the applicable statutory net metering limits and the significant growth in renewable energy development experienced during the past year. The potential objective of this proceeding is to develop uniform, just, and reasonable guidelines for utility management of net metering applicant queues, as well as examining interconnection requirements, to determine whether uniform interconnection queue management procedures would be useful in managing net metering applicant queues.

Following two stakeholder technical sessions and the prehearing conference before the Commission, a proposed set of Net Metering Program Capacity Allocation Procedures (Procedures) was developed by Commission Staff with input from the electric distribution utilities and other interested parties. The draft Procedures were circulated by electronic mail to the broader stakeholder group on October 2, 2015. To date, however, no significant comment or other response has been received with respect to the proposed Procedures. A copy of the draft Procedures is attached to this memorandum.

Staff continues to believe that the issues covered in the proposed Procedures are important and should be addressed expeditiously. Staff therefore recommends that the Commission schedule a public hearing to receive comment on the proposed Procedures from parties in the docket and other interested stakeholders.

Net Metering Program Capacity Allocation Procedures

The following required procedures for net metering capacity allocation (hereinafter, "allocation") shall apply to all projects with an existing allocation and to all projects seeking an allocation on or after the effective date of these procedures adopted by [Company Name] (hereinafter, the "Company" or "Utility").

Projects with an existing allocation as of the effective date of these procedures shall have 30 days following such effective date to demonstrate compliance with all applicable milestones and other requirements otherwise required by these procedures. If a project fails to demonstrate full compliance with all such applicable milestones and requirements within 30 days, its net metering allocation shall be terminated and shall not be reinstated unless and until full compliance has been demonstrated and only if and to the extent that there is available net metering capacity at such time.

The allocation for a project shall be terminated if the project is discontinued or abandoned. The Applicant shall notify the Company in writing within five (5) business days of project discontinuance or abandonment.

Project size for purposes of these procedures is based on the maximum AC inverter rating of an inverter-based generation system or the generator nameplate kW rating of any other generation system.

"Customer" or "Applicant" for purposes of these procedures means a customer of the Company or a customer representative with authority to act on behalf of the customer for the task described. Other capitalized terms used herein shall be as defined in the Company's Interconnection Standards for Inverters Sized Up to 100 kVA or other applicable interconnection procedures.

Type A Projects.

Projects that are 10 kilowatts or less in generation capacity (hereinafter, "Type A Projects") shall receive an allocation upon completion of (a), (b), and (c), as set forth below. The project shall retain its allocation so long as the project complies with the applicable "Additional Requirements to Retain Allocation" set forth below.

- (a) Customer filing of a properly completed and signed Simplified Application;
- (b) Customer filing of all necessary supporting documents (e.g., one-line diagram, inverter specification sheets, etc.); and
- (c) The Applicant must be a customer in good standing with the interconnecting utility (e.g., the customer must not have been issued any disconnect notices during the preceding 12 months).

Type B Projects.

Projects that are 100kW or less and larger than 10 kW in generation capacity (hereinafter, "Type B Projects") shall receive an allocation upon completion of (a) through (d), as set forth below. The project shall retain its allocation so long as the project complies with the applicable "Additional Requirements to Retain Allocation" set forth below.

- (a) Customer filing of a properly completed and signed Simplified Application;
- (b) Customer filing of all necessary supporting documents (e.g., one-line diagram, inverter specification sheets, etc.);
- (c) The Applicant must be a customer in good standing with the interconnecting utility (e.g., the customer must not have been issued any disconnect notices during the preceding 12 months); and
- (d) Customer filing of a properly completed and signed Supplemental Review Agreement and company receipt of the required payment, not to exceed \$1,250.

Type C Projects.

Projects that are 1,000 kW or less and larger than 100 kW in generation capacity (hereinafter, "Type C Projects") shall receive an allocation upon completion of (a) through (f) below. The project may retain its allocation so long as the project complies with the applicable "Additional Requirements to Retain Allocation" set forth below.

- (a) Customer filing of a properly completed and signed Pre-Application and payment of a non-refundable \$500 deposit;
- (b) Customer filing of a properly completed and signed Generator Interconnection Application form and all required supporting documents;
- (c) Customer filing of evidence of site control (e.g., ownership, signed lease, or a letter of intent for a lease if with a governmental entity);
- (d) Customer filing of a properly completed and signed System Impact Study Agreement and payment received by the Company of an amount equal to 100% of the Company-estimated study costs;
- (e) The Applicant must be a customer in good standing with the interconnecting utility (e.g., the customer must not have been issued any disconnect notices during the preceding 12 months); and
- (f) For planned group net metering projects, the Applicant shall have submitted to the Company evidence of sufficient project-specific customer-members to satisfy the requirements to be issued a group host authorization number under Puc 909. Examples of such evidence include executed power purchase agreements ("PPAs"), other binding agreements between the eligible customer-generator and specific customer-members,

issuance of a group host authorization number by the Public Utilities Commission, and/or a description of how the project is being developed in response to a completed request for proposals ("RFP") or other completed bid solicitation process through which a municipality seeks to benefit a set of pre-defined utility accounts owned by the municipality.

Type D Projects.

Projects that are already complete and operational and are owned by eligible customer-generators that plan to commence net metering as a group host pursuant to RSA 362-A:9, XIV, and Puc 909 (hereinafter, "Type D Projects") shall receive an allocation upon issuance of a host registration number by the New Hampshire Public Utilities Commission. The project may retain its allocation so long as the project complies with the applicable "Additional Requirements to Retain Allocation" set forth below.

Additional Requirements to Retain Allocation.

Failure of a project to satisfy any of the applicable additional requirements set forth below shall result in the loss of its allocation. The project shall regain its allocation only when it has demonstrated full satisfaction of all necessary conditions, provided that sufficient program capacity is still available at the time of such demonstration.

Type A and B Projects. In order to retain its allocation, a Type A or Type B Project shall:

- (1) pay 100% of the estimated utility upgrade costs within 30 days of receiving company approval of the interconnection application (Milestone #1); and
- (2) be complete, fully interconnected and operational within 12 months of receiving company approval of the interconnection application (Milestone #2). "Complete, fully interconnected and operational" includes, but is not limited to, the submission of any testing and commissioning documents requested by the Company, installation of a utility net meter, and generation of power on a regular, non-test basis.

Type C Projects.

The milestone deadlines set forth below shall be calculated from the first to occur of (i) the date the Company provides the Applicant with an Interconnection Service Agreement which describes the required utility upgrades and costs, or (ii) the date the Company provides the Applicant with the results of its System Impact Study or, if the Company does not provide a formal System Impact Study report, the date on which the Company provides an estimate of utility upgrade costs.

In order to retain its allocation, a Type C Project shall comply with each and all of the following milestones:

Milestone #1. Within 30 days, the Applicant shall have executed and delivered a signed Interconnection Service Agreement and paid a non-refundable deposit in an amount equal to the lesser of either (i) \$50 per kW of capacity, or (ii) 25% of the estimated utility upgrade costs, if any, but not less than \$20 per kW of capacity in any case.

Milestone #2. Within 150 days, the Applicant shall pay the balance of the estimated utility upgrade costs, provided that payment of all or a portion of such balance may be required at any time prior to day 150 if deemed necessary by the Utility to support the project construction schedule.

Milestone #3. Within 180 days, the Applicant shall submit to the Company a statement attesting that all non-ministerial project permits and approvals have been obtained, in final and non-appealable form, including, but not limited to, any and all federal, state, and local permits and approvals required for construction and operation of the project, with the exception of building and electrical permits.

Milestone #4. Within 270 days, the Applicant shall submit to the Company copies of issued and effective building and electrical permits, and any other ministerial permits and approvals, related to construction and operation of the project.

Milestone #5. Within 365 days, the project shall be complete, fully interconnected and operational, which includes, but is not limited to, the submission of any testing and commissioning documents requested by the Company, the installation of a utility net meter, and the generation of power on a regular, non-test basis. Projects that are fully constructed and capable of test power operation, but are waiting for final utility interconnection construction as a result of factors beyond their control, shall have this Milestone #5 deadline extended for a reasonable period of time in order to permit such final utility interconnection construction.

Type D projects. In order to retain its allocation, a Type D Project shall complete any metering upgrades required by the Company and the Applicant shall sign a "metering upgrade agreement" and pay 100% of the Utility estimated upgrade costs within 10 days of the issuance date of such cost estimate.

Project Wait List.

Once the Company has allocated its full share of the statutory net metering program capacity, projects shall be assigned a waitlist number based on the date that the Applicant has satisfied all of the initial requirements for allocation identified above.

Projects on the waitlist shall be allowed to interconnect and operate with the appropriate metering, subject to all applicable utility requirements and restrictions, but the Company shall not be required to treat exported kWh from such projects as net metered in accordance with Puc 900. Other company-specific terms and conditions for net metering may apply to the exported kWh from such projects, if and to the extent such terms and conditions are adopted and implemented by the Company.

If and when net metering program capacity becomes available, waitlisted projects shall be offered the opportunity to enter the program according to their place on the waitlist and the then current amount of available program capacity.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov

allen.desbiens@nu.com

amanda.noonan@puc.nh.gov

andrew@nhsolargarden.com

andrew@nhsolargarden.com barbara.bernstein@puc.nh.gov

belder@kfwlaw.com

canderson@borregosolar.com

christopher.goulding@nu.com

clayaz@comcast.net

clifton.below@gmail.com

david.wiesner@puc.nh.gov

dclapp@revisionenergy.com

debski@unitil.com

dpatch@orr-reno.com

eemerson@ppeclaw.com

elizabeth.nixon@puc.nh.gov

epler@unitil.com

erikrussell26@gmail.com

fortunat@revisionenergy.com

grant.siwinski@puc.nh.gov

heather@revisionenergy.com

jack@revisionenergy.com

james.brennan@oca.nh.gov

jconnell@borregosolar.com

jen@revisionenergy.com

jill.fitzpatrick@libertyutilities.com

jon.osgood@puc.nh.gov

jrodier@mbtu-co2.com

jwiedman@kfwlaw.com

kaminski@nhec.com

karen.cramton@puc.nh.gov

kate@nhsea.org

Kelsey@revisionenergy.com

kim@energyemp.com

kristi.davie@nu.com

lemayg@nhec.com

lois.jones@nu.com

manypennyh@nhec.com

marie.m.mccormick@gmail.com

matthew.fossum@eversource.com

mdean@mdeanlaw.net

michael.sheehan@libertyutilities.com

michael.sisto@puc.nh.gov

ocalitigation@oca.nh.gov

palma@unitil.com

richard.labrecque@nu.com

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FILING INSTRUCTIONS:

a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND

EXEC DIRECTOR

NHPUC

21 S. FRUIT ST, SUITE 10 CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.

sam@revisionenergy.com
sarah@vitalcommunities.org
Stephen.Eckberg@puc.nh.gov
Stephen.Hall@libertyutilities.com
steven.mullen@libertyutilities.com
susan.chamberlin@oca.nh.gov
suzanne.amidon@puc.nh.gov
tom.frantz@puc.nh.gov
will@bostonsolar.us

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Interested Parties

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'beaverpond49@yahoo.com'; 'matt@townlineequipment.com'; 'russaney@yahoo.com';
'aaron@solarendeavors.com'; 'albert@snowdragonsolar.com'; 'ayerelectricllc@metrocast.net';
'dbagley@catamountsolar.com'; 'gregory.blake@comcast.net'; 'johnjcall@comcast.net';
'laurenchaserowell@gmail.com'; 'kchvic@comcast.net'; 'clayaz23@gmail.com'; 'wcole@bluesel.com';
'mdavey@eeiservices.com'; 'dick@davishydro.com'; 'info@dawnsolar.com'; 'deccybaby@gmail.com';
'rdion@demandelec.com'; 'donoghue@norwitech.com'; 'support@freedomrenewable.com';
'fuat.ari@blsus.com'; 'bfurlone@furlonellc.com'; 'thomastgarden@gmail.com';
'bgrace@seadvantage.com'; 'gsha@essexhydro.com'; 'b.hayden@standardpower.com';
'jeff@ecocfo.com'; 'stevehinchman@gmail.com'; 'george.horrocks@harmonyenergyworks.com';
'vladimir.hromis@blsus.com'; 'irvingre@yahoo.com'; 'molly.kelly@leg.state.nh.us';
'nkershaw@elmgrovecompanies.com'; 'glandau@cq.com'; 'carmine.luongo@libertyutilities.com';
'lutz@londoneconomics.com'; 'mark@newenglandcleanenergy.com'; 'emcconnell@kfwlaw.com';
'mike@newenglandsolarconcepts.com'; 'moselectricandsolar@yahoo.com'; 'newton@trulight.biz';
'andrew@nhsolargarden.com'; 'aalawa@nuwattenergy.com'; 'onpointenergy@yahoo.com';
'kurtpenney@ircmaine.com'; 'pilgrim@ccenergy.com'; 'pjonessped@aol.com';
'sandra@plymouthenergy.org'; 'tim@prudentliving.com'; 'john.ramsey55@gmail.com';
'ran@essexhydro.com'; 'raney@avidsolar.com'; 'maureenreno@truelightenergy.com';
'jen@revisionenergy.com'; 'heather@revisionenergy.com'; 'prowell49@myfairpoint.net';
'jack@seasolarstore.com'; 'shane@trulight.biz'; 'steve@tree-free.com'; 'david@smartenergyne.com';
'raney@solarlumix.com'; 'jonspenceralgae@gmail.com'; 'info@spreadthesunshine.com';
'steveh@revisionenergy.com'; 'ketraum@gmail.com'; 'wes@2bgreenprofitably.com';
'christopher.dundorf@2krsystems.com'; 'nbourassa@outdoors.org'; 'doug@cleanenergysolutions.biz';
'morgansa@conedsolutions.com'; 'cnesalesnh@constellation.com'; 'dennis@thearchitects.net';
'cfuerst@durhamboat.com'; 'allen.desbiens@nu.com'; 'matthew.fossum@eversource.com';
'christopher.goulding@nu.com'; 'lois.jones@nu.com'; 'richard.labrecque@eversource.com';
'firstchoiceenergy@comcast.net'; 'kim@fraseelectric.com'; 'kroll@gcglaw.com';
'agauntt@granitestatesolar.com'; 'erik@granitestatesolar.com'; 'justin@granitestatesolar.com';
'Irichardson@jordaninstitute.org'; 'mweissflog@kwmanagement.com';
'jill.fitzpatrick@libertyutilities.com'; 'Stephen.Hall@libertyutilities.com'; 'ted@necsolarservices.com';
Ohler, Becky <Rebecca.Ohler@des.nh.gov>; 'kaminski@nhec.com'; 'lemayg@nhec.com';
'manypennyh@nhec.com'; 'info@nhhtc.org'; 'sevans-brown@nhpr.org'; Bernstein, Barbara
<Barbara.Bernstein@puc.nh.gov>; Carmody, Jody <Jody.Carmody@puc.nh.gov>; Cramton, Karen
<Karen.Cramton@puc.nh.gov>; Eckberg, Stephen <Stephen.Eckberg@puc.nh.gov>; Nixon, Elizabeth
<Elizabeth.Nixon@puc.nh.gov>; Sheehan, Michael <Michael.Sheehan@puc.nh.gov>; Sisto, Michael
<Michael.Sisto@puc.nh.gov>; Siwinski, Grant <Grant.Siwinski@puc.nh.gov>; Wiesner, David K
<David.Wiesner@puc.nh.gov>; 'davidaborden@aol.com'; 'jeb.bradley@leg.state.nh.us';
'martha.fullerclark@leg.state.nh.us'; 'kate@nhsea.org'; Fitzgerald, Mike
```

<Michael.Fitzgerald@des.nh.gov>; Frantz, Tom <Tom.Frantz@puc.nh.gov>; Noonan, Amanda <Amanda.Noonan@puc.nh.gov>; Osgood, Jon <Jon.Osgood@puc.nh.gov>; 'bob@usasolarstore.com'; 'clayaz@comcast.net'; 'neseastsales@noblesolutions.com'; PUC - OCA Litigation <OCALitigation@oca.nh.gov>; Brennan, James J <James.Brennan@oca.nh.gov>; Chamberlin, Susan W <Susan.Chamberlin@oca.nh.gov>; Hatfield, Meredith <Meredith.Hatfield@nh.gov>; 'rgoldwasser@orrreno.com'; 'Thale_Jacobs@yahoo.com'; 'eemerson@ppeclaw.com'; 'dclapp@revisionenergy.com'; 'Kelsey@revisionenergy.com'; 'will@bostonsolar.us'; 'sam@revisionenergy.com'; 'fortunat@revisionenergy.com'; 'jack@revisionenergy.com'; 'jack@seacoastenergy.com'; 'cbell@solarsourcene.com'; 'mmiller@soltage.com'; 'sales@haecpower.com'; 'pat@sunraiseinvestments.com'; 'bob@townlineequipment.com'; 'cheryl_popiak@transcanada.com'; 'tpage@trcsolutions.com'; 'brian@umginc.com'; 'debski@unitil.com'; 'epler@unitil.com'; 'palma@unitil.com'; 'scondon@revisionenergy.com'