

May 19, 2016

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, NH 03301

Re: Upcoming Net Metering Docket

Dear Ms. Howland:

As the proceeding examining the costs and benefits of clean energy resources that participate in net metering (NEM) begins, the signatories to this letter wish to provide comments to the Commission, including highlighting best practices developed in various distributed generation cost-benefit analyses across the country. It is our hope that the Commission considers these best practices during the proceeding in order to determine a future NEM program that is fair to both customer-generators and to all other customers. The groups identified below intend to participate fully in the proceeding, and to work together as much as possible to promote the efficiency of the docket. We are hopeful that a wide range of interests, including those who participated in the legislative process for HB1116, will engage fully in the PUC process.

The consultant hired by the Commission will also play an important role in this process. The chosen independent expert should assist with requesting, processing and analyzing data from all parties involved, as well as compiling any additional data deemed necessary. An independent expert can also provide valuable expertise to Commissioners and Staff on cost/benefit exercises and tariff development.

While questions around which cost and benefit categories to consider are a critical part of any NEM analysis, we urge the Commission to examine other issues as well. First, it's important to focus on the value of the exported electricity customer-generators provide to the grid. In accordance with federal law, utility customers are allowed to offset consumption using onsite generation, so analysis of the impacts on non-participating ratepayers should focus on the effects of exports. On the benefits side of the equation, the following categories should be included and analyzed:

- Avoided energy costs
- Avoided system losses
- Avoided capacity costs for generation
- Avoided and deferred capacity costs for transmission and distribution
- Fuel price hedges
- Market price response
- Grid support services
- Societal benefits – economic development, health impacts, avoided environmental costs and grid security & reliability

The following costs of NEM should be considered:

- Bill credits or energy payments
- Administrative costs
- Integration costs

It is also important to consider the benefits and impacts of NEM over the long-term as well as the impact on non-participating customers. Any analysis of costs and benefits should be over the lifetime of a distributed energy resource – typically about 20-25 years. With regard to impact on non-participating customers, useful assessments such as the Societal Cost Test (SCT) can provide helpful guidance. The SCT calculates the net benefit to society as a whole, including categories such as avoided emissions, and has most recently been adopted by the NY Public Service Commission as its primary measure of cost effectiveness in a similar proceeding.

We hope that this information is helpful in assisting the Commission with considering a range of issues for evaluating NEM in New Hampshire. We look forward to participating in the docket and developing a path forward that allows for the continued growth of distributed energy resources in New Hampshire.

Signed:

American Capital Energy Inc.
Borrogo
Community Hydro, LLC
Conservation Law Foundation
Energy Emporium
Granite State Hydro Association
Granite State Solar
IRC Solar Roof Systems
Monadnock Sustainability Network
NEC Solar Services
NH CleanTech Council
NH Sustainable Energy Association
O'Meara Solar
Plymouth Area Renewable Energy Initiative
Renewable Energy Development Associates
Resilient Buildings Group, Inc.
ReVision Energy
Solar Endeavors, LLC
Solar Source
SolarCity Corporation
Sunrun
The Alliance for Solar Choice
The Jordan Institute
The Nature Conservancy in New Hampshire
TRC Energy Services