

NEW HAMPSHIRE LEGAL ASSISTANCE*Working for Equal Justice Since 1971***Public Comments from New Hampshire Legal Assistance**

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Via U.S. Mail and e-mail to puc@puc.nh.gov

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Re: **DE 16-576 - Development of New Alternative Net Metering Tariffs and/or Other Regulatory Mechanism and Tariffs for Customer-Generators**

Dear Ms. Howland,

Please file this letter as a public comment in the above-referenced docket.

These comments are offered on behalf of New Hampshire Legal Assistance (NHLA). NHLA

is a statewide non-profit law firm. Our attorneys and paralegals represent low-income and elderly clients throughout the state, including advocating on behalf of these ratepayers at the Public Utilities Commission ("PUC"). Low-income ratepayers could benefit from some reforms to the current net metering paradigm in New Hampshire.

New alternative net-metering tariffs or other regulatory mechanisms for customer-generators could take into account the effects such regulation may have on the high energy burden faced by low-income ratepayers. Specifically, the PUC could consider whether the net metering policy proposals made by the various utility and intervenor parties will either increase or hinder the participation of low-income families in renewable energy initiatives and how such policies will effect the high energy burden that exists for such families in New Hampshire.

Overcoming Barriers to Low-Income Participation

Low-income families face many barriers to participating in net metering. The high up-front cost of investing in many renewable energy measures is a barrier further heightened by a lack of access to capital and insufficient or bad credit for many low-income families. Many low-income renters have split incentives with their landlords which largely prevent such families from having the option to invest in renewables at a leased home. However, renters and those who have rooftops that are unsuitable for solar could still have the opportunity to participate in solar and other renewable electric programs. Low-income families could potentially participate and receive direct benefits through shared renewable energy projects. This docket presents an

opportunity for the PUC to adopt policies which could improve access to renewable energy benefits for low to moderate income customers.

NHLA supports the Office of Consumer Advocate's (OCA) community solar proposal.¹ Specifically, the proposed low to moderate income ("LMI") adder to the community solar rate could incentivize increased LMI customer participation and receipt of renewable energy benefits.² This LMI adder could reduce the cross-subsidization that some argue is occurring, between Distributed Generation (DG) owning Residential customers and non-DG residential customers, by opening the door to participation for those families who may not be able to put up solar panels on their own roofs. The OCA's proposal recognizes that low income households face higher energy burdens than wealthier households and community solar presents a real opportunity to these families to save money by subscribing and directing their limited funds to purchasing clean energy. The LMI adder would provide a financial incentive for community solar hosts to increase the participation and share of the benefits of a community solar project to LMI ratepayers. Encouraging the inclusion of these ratepayers as community solar subscribers is a win-win for both the hosts who receive a shorter pay-back period for their investment and for the LMI and other participants who receive higher bill credits.

On the other hand if the status quo persists, then low income families may continue to be shut out from participating in DG and may actually end up subsidizing wealthier DG customers by paying for an increasingly higher percentage of the distribution revenue collected by NH electric distribution utilities.

Restore the Systems Benefit Charge to being "Non-bypassable"

Another concern with the current net metering rate structure and design is the potential for a substantial reduction in the collection of Systems Benefit Charge ("SBC") funds. As the Public Utilities Commission is well aware, the SBC is the only regular source of funding for the Electric Assistance Program and is the primary funding source for Energy Efficiency projects, including Home Energy Assistance, the low-income energy efficiency program. Net metering as is provides bill credits to DG customers for all usage based rates, including the SBC. This results in DG customers paying for the SBC rate only when the household's energy consumption exceeds that household's energy generation, and only at the rate of that net consumption. When a DG customer's generation exceeds consumption, not only is that customer avoiding any contribution to system benefits, but that customer is actually reducing the funds that could otherwise go towards systems benefits through the receipt of bill credits at the SBC rate. In sum, net metered customers are permitted to bypass payment towards what is legally supposed to be a non-bypassable charge.³

¹ See OCA Direct Prefiled Testimony of Elizabeth Doherty dated October 24, 2016.

² *Id.* at 74.

³ See OCA Direct Prefiled Testimony of Lon Huber dated October 24, 2016 at p. 23

NHLA supports the proposal that DG customers should pay the SBC rate for their gross kWh consumption, just as all other ratepayers do, because DG customers share with all other ratepayers in receiving the benefits funded by the SBC. This proposal is consistent with the statutory restructuring policy principle stated in RSA 374-F:3, VI. Benefits for all Consumers:

Restructuring of the electric utility industry should be implemented in a manner that benefits all consumers equitably and does not benefit one customer class to the detriment of another. Costs should not be shifted unfairly among customers. A nonbypassable and competitively neutral system benefits charge applied to the use of the distribution system may be used to fund public benefits related to the provision of electricity.”

Charging the SBC rate for DG Customers’ gross kWh consumption would fairly charge these customers for their total use of the distribution system, which includes those times when that customer may be using the distribution system to export electricity in excess of what is being consumed.

This revision to net metering rates could also avoid potential problems down the road of an inverse relationship between systems benefits funds and DG penetration. Under current policy as DG penetration increases, total SBC funds will decrease absent any corollary increase in the SBC rate paid for in a disproportionate share by those unable to participate in DG.

For the Electric Assistance Program, a forecast of increased DG penetration is even more dire because the portion of SBC funding directed to low income bill assistance is capped by statute at 1.5 mills per kilowatt hour. Thus the PUC currently lacks the authority to increase the SBC rate in response to a future declining EAP fund (that could result from increased DG penetration and decreased net consumption of electricity that is distributed by NH electric utilities). To avoid this problem, SBC charges could be collected fairly from all customers in proportion to gross electric consumption and not reduced or netted out for customers who have the means to generate and export electricity to the grid.

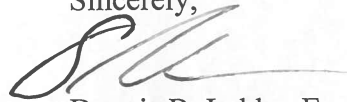
Parties and intervenors who have expressed support thus far for the position that DG customers should not bypass the SBC charge through reimbursements or credits include, but may not be limited to, the following: the Conservation Law Foundation⁴,

⁴ See CLF Direct Testimony of Paul Chernick dated October 24, 2016 at p. 27-28 (recommending exclusion of SBC from the net-metering credit)

Eversource⁵, Alliance of Solar Choice⁶, NH Sustainable Energy Association⁷, Liberty Utilities⁸, Unitil⁹, and the Office of Consumer Advocate¹⁰.

In conclusion, New Hampshire Legal Assistance thanks the Public Utilities Commission for including in its consideration of new alternative net metering tariffs the effects such policy may have on low income ratepayers, including their future participation in renewable energy initiatives and sustaining the funding needed for the existing programs in New Hampshire that help to alleviate the high energy burdens faced by low-income customers.

Sincerely,



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Portsmouth Branch Law Office

Cc: D. Maurice Kreis (via e-mail to Donald.Kreis@oca.nh.gov)

⁵ See Eversource Direct Testimony of Edward Davis dated October 24, 2016 at p. 42

⁶ See Alliance of Solar Choice Direct Testimony of R. Thomas Beach at p. iv (proposing removing the public benefit charge from the NEM export rate).

⁷ See NHSEA Direct Testimony of Kate Epsen dated October 24, 2016 at p. 12 (recommending removal of SBC from the reimbursement value for exported energy)

⁸ See Liberty Utilities Direct Testimony of Heather M. Tebbetts dated October 24, 2016 at p. 11-12

⁹ See Unitil Direct Testimony of H. Overcast dated September 14, 2016 at p. 26 (arguing non-bypassable charges, including the SBC, "should be borne in full by solar DG customers based on their total electric consumption").

¹⁰ See OCA Direct Testimony of Lon Hubbard dated October 24, 2016 at p 22-23 ("it is fair for utilities to fully recovery non-bypassable from DG customers based on gross kWh consumption")