

April 7, 2017

Debra Howland, Executive Director
NH Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

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

Dear Ms. Howland:

Please accept this letter in support of the Joint Settlement Proposal filed by the Energy Future Coalition on March 10, 2017.

The Environmental Defense Fund believes the aggregate net metering cap of 100 MW should be eliminated. There should be no limitation on the aggregate amount of capacity that can net metered in New Hampshire at this time. Presently, the aggregate 100MW cap represents less than 3 % of the total utility peak load in New Hampshire. Contrast this percentage with those in neighboring states:

- In Massachusetts, the aggregate cap is 7 or 8% (depending on whether it is peak load for private or local government).
- In Vermont, the aggregate cap is 15% of peak load.
- Neither Connecticut nor Maine have a specified cap.
- Excepting two smaller utilities, there is no aggregate cap in Rhode Island.

To perpetuate an aggregate cap in New Hampshire means to hamper innovation which will seek the path of least resistance in neighboring states. To perpetuate a cap in New Hampshire stifles choice and free and fair market competition in the energy market, which in turn will harm consumers in the long run. Therefore, perpetuating a cap is counter to the overall purpose of electric restructuring as stated in RSA 374-F:1, "*The most compelling reason to restructure the New Hampshire electric utility industry is to reduce costs for all consumers of electricity by harnessing the power of competitive markets.*".

Permitting the growth of distributed energy resources in New Hampshire benefits all electricity consumers whether one does or does not own or manage installed energy resources. According to the US Department of Energy¹ utilities can take advantage of distributed energy resources to reduce peak loads and the consequential higher peak pricing that is passed on to consumers. Additionally, distributed energy resources "decrease the vulnerability of the electric system to threats from terrorist attacks, and other forms of potentially catastrophic disruptions".

¹ EPAAct 2005 SEC. 1817. STUDY OF DISTRIBUTED GENERATION. <https://www.ferc.gov/legal/fed-sta/exp-study.pdf>

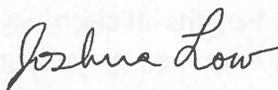
Each time net metering policy is implemented in New Hampshire people are exercising a protected freedom of choice by choosing not to use electricity that is generated through the burning of fossil fuels. Perpetuating a cap stifles choice.

The Commission should be guided by the Distributed Energy Resources Rate Design and Compensation Manual, prepared by the Staff Subcommittee on Rate Design of the National Association of Regulatory Utility Commissioners and published in November 2016. This Manual is a product of the Commission's own national organization and provides best practices and guidance on policy issues related to distributed resources. It advises against arbitrary limits and supports data driven decisions. It says acknowledgement of the benefits that these resources provide is a necessary starting point. Distributed resources can provide the opportunity to operate a system more efficiently and at a lower cost, if integrated with a utility's operations and planning. The Manual also warns that reforms that are rushed and not well thought out could set policies and implement rate design mechanisms that have unintended consequences such as potentially discouraging customers from investing in distributed resources or making inefficient investments.

An arbitrary cap is out of sync given the social and economic considerations noted above, and is out of sync given environmental considerations and risks. Risks associated with the business-as-usual burning of fossil fuels includes a likely outcome of a much warmer world. Regardless of the uncertainties associated with low-and high-end risks, the risks are nevertheless acknowledged and no one disagrees there is a distribution of possible outcomes: high risk outcomes to business-as-usual fossil fuel use are catastrophic; low risk outcomes also have very real and costly environmental and health consequences.

The role of government is to protect the people's rights to life and property from undue harm by others. By perpetuating a cap on net metering, the government is in effect absolving itself of any responsibility associated with harm caused by others. Thank you for the opportunity to write in support of the Joint Settlement Proposal from the Energy Future Coalition in Docket DE- 16-576.

Sincerely,



Joshua Low
Field Manager, National Field Operations
Environmental Defense Fund