

THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 16-576

Electric Distribution Utilities

**POST-ORDER COMMENTS OF PUBLIC SERVICE COMPANY OF NEW
HAMPSHIRE D/B/A EVERSOURCE ENERGY**

On June 23, 2017, the Commission issued Order No. 26,029 which, among other things, accepted and resolved various settlement matters and set a new net metering tariff for utilities in New Hampshire. Relevant to this submission, in its Order the Commission identified two related issues that it believed required additional comments or briefs. By this submission, Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”) provides its comments on the issues identified by the Commission.

In the Order, the Commission adopted a provision that DG systems installed or queued during the period the new net metering tariff is in effect should have their net metering rate structure “grandfathered” through December 31, 2040.¹ With respect to this grandfathering provision, the Commission identified the following items as having been insufficiently addressed by the parties: (1) whether a subsequent sale or other ownership transfer of the house, building, or property upon which the DG system is installed, or a subsequent sale or other ownership transfer of the DG system itself, would entitle the new owner to continue to be net-metered under the grandfathered tariff provisions; and (2) whether subsequent expansions of or modifications to

¹ Page 51 of the Order, item (h), discusses grandfathering for those projects receiving a capacity allocation “while the new alternative net metering tariff is in effect,” while page 56 states that the commencement date “effectively serves as a cut-off date for grandfathering of projects under the current standard tariffs.” Eversource bases its comments on the assumption that projects currently in the net metering program, as well as those receiving a capacity allocation before September 1, 2017, are grandfathered until December 31, 2040.

DG systems would be entitled to net metering under the grandfathered tariff provisions. As explained more fully below, it is Eversource's position that transfer of the property or system, could, but likely would not, remove a DG system from the net metering grandfathering provisions, but that expansions or modifications of the system likely could remove a system from the grandfathering, under certain conditions.

With respect to the issue of whether a subsequent sale or other ownership transfer of the house, building, or property upon which the DG system is installed would entitle the new owner to continue to be net-metered under the grandfathered tariff provisions, in Eversource's assessment such sales should not be cause to remove a net metered system from the grandfathered tariff. As a first matter, reviewing the status of a net metered system every time a property is bought and sold would require a utility to track property sales throughout its service territory – which Eversource is not prepared to do – or it would require every seller or purchaser to inform the utility of the change in ownership, even if the change in property ownership may not come with a change in utility customer. Although, this latter option may, possibly, be implemented, even if it was implemented in Eversource's assessment, having such information would not be useful in administering the net metering program. If a property is sold, but the DG system remains at that location and is not enlarged or modified, there would be no cause to review and revisit the propriety of including that system in the program. The net metering tariff, and the utility facilities, would already accommodate that system in that location. In short, simply changing the owner of the property on which a DG system sits does not appear to justify removing such a system from the net-metering grandfathering.

Regarding the subsequent sale or other ownership transfer of the DG system itself, such a sale may be a trigger for removal from the grandfathered tariff. If the DG system is sold

separately from the property where it is located and then relocated and reinstalled elsewhere, the relocation to a new site would require a new engineering review just as if it was any other new DG installation. In that it would be treated as a new DG installation at a new location, it is appropriate to remove that system from the grandfathering and treat it as the thing it is, a new entrant to the net metering program.

It is possible that DG system equipment could be conveyed but remain installed in its present location where it would continue to function as it had, but the ownership of the DG system and, perhaps, the underlying property would be different. In such a case, so long as the utility customer is treated as the customer-generator for billing and reporting purposes, there would be no need to remove the project from the grandfathering provisions regardless of the ownership structure. The parties to such a transaction would be free to make any arrangements agreeable to them for the distribution of costs and credits, but the utility would only provide the net metering credit to the customer-generator of record in its billing system. In addition, Eversource does not track the underlying ownership structure associated with any applications to net meter. Eversource's agreement is with the customer of record in the billing system, not the DG owner. Eversource has no reason to determine or track the legal owner of the DG system equipment, either during the initial application review or subsequently.

Regarding the Commission's second question, whether subsequent expansions of or modifications to DG systems would be entitled to net metering under the grandfathered tariff provisions, to Eversource such changes could be cause to remove a system from the grandfathered tariff, depending upon the change. With respect to residential customers (for Eversource, those customers on Rate R), it is unlikely that modifications or expansions of their DG systems would justify removing them from the existing tariff. Such systems tend to be

small, and expansions of those systems would likely be small as well. In the aggregate, Eversource expects this type of activity will have minimal implications on the overall administration of the net metering program or on the issues explored in Docket No. DE 16-576 (i.e. lost revenues, cross subsidization, impact on non-participants, etc.). Accordingly, Eversource's position is that changes or modifications to the DG systems of residential customers should not remove those customers from the grandfathering provisions.

For commercial and industrial customers, however, DG system changes can be larger and, in aggregate, may result in material impacts relative to the issues investigated in this docket. Therefore, Eversource proposes that a threshold be set where an expansion of 10 kw or more above the initially approved DG system capacity would be the limit for determining when the DG system of a commercial or industrial customer would be removed from the grandfathered tariff and treated as a new installation.

As an additional point, Eversource is concerned that even minor modifications, if aggregated, could create difficulties in operating the electric system. For that reason, DG system owners should be required to report any modification or expansion of the DG system, irrespective of whether that change meets the threshold to trigger a change in tariff. To ensure that customers will report such expansions, there should also be an enforcement mechanism, such as the withholding of net metering credits, for any system that is found to have failed to report a system expansion of any size. Any order from the Commission related to this topic should make it clear that all DG customers have an ongoing obligation to report all system modifications to the interconnecting utility.