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Advancing the Clean Energy Future



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January 9, 2019

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

Re. DE 16-576, Electric Distribution Utilities, Development of New Alternative Net Metering Tariff
Acadia Center's Comments on Staff's October 3rd Draft LVDG Methodology

Dear Director Howland:

Enclosed please find the original and six copies of Acadia Center's comments in the above-referenced docket.

Please let me know if you have any questions.

Sincerely,

Ellen Hawes

Senior Analyst, Energy Systems and Carbon Markets

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Enclosures



**Acadia Center Comments on
Locational Value of Distributed Generation Draft Methodology
Docket DE 16-576 Development of New Alternative Net Metering Tariff**

Acadia Center welcomes the opportunity to comment on the October 3rd draft methodology for the Locational Value of Distributed Generation (LVDG) study in docket DE 16-576, Development of New Alternative Net Metering Tariff and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators.

In Order No. 26,124, suspending the requirement for utilities to develop a non-wires alternative pilot under DE 16-576, the Commission ordered instead that a locational value of distributed generation study be conducted. The Order states that such locational value “may result from capital investment avoidance or deferral, and operating expense reduction or deferral, such as through equipment life extension or lower maintenance and labor costs.”

Technologies Considered Within Study Scope

Staff recommends that the study should not include an analysis of load reduction approaches, such as demand response and energy efficiency as these resources are not eligible for the net metering credit. In Order 26,124, the Commission states that unlimited non-wires alternatives should be considered outside this docket, through either grid modernization planning or least cost integrated resource planning

Acadia Center believes that the value of the full range of distributed energy resources should be considered in an integrated manner, given that a strategy to successfully defer capacity constraints would likely include load reduction approaches as well. However, at a minimum the consultant should make an effort to design a valuation model that is easily open to incorporating additional technologies at a later point, as we recommended in the July 7th *Joint Stakeholder Comments On The Proposed Scope Of The Value Of Distributed Energy Resources Study* . Furthermore, we recommend that the full range of technologies eligible for the net metering credit be considered, including small scale wind and combined heat and power.

Eligible Avoided or Deferred Investment Costs

The LVDG study will consider the value of avoided or deferred distribution investment costs due to capacity constraint elimination at a number of locations on the New Hampshire electrical distribution grid. In order to develop avoided or deferred cost estimates, Staff proposes that equipment replacements will be reviewed to identify possible incremental additional costs associated with equipment capacity increases. In order to more fully consider equipment life extension, as mentioned in the Order, we recommend that this also explicitly the possibility of cost saving due to capacity decreases.

Distribution System Analysis Level

The recommended inclusion of all subtransmission (13kV-69kV), substation, and distribution circuits in the analysis is adequately comprehensive.



Load Growth Projections

Staff proposes conducting a baseline analysis utilizing load growth projections as developed by each utility for its planning processes, as opposed to the Option 1 approach, used by Nexant in its Central Hudson Gas and Electric study. Acadia Center raised concerns with the approach in the Central Hudson study, and believes the approach proposed by Staff is more transparent.

Acadia Center supports the inclusion of a high load growth scenario in order to represent the potential impact of vehicle electrification, and recommends that this explicitly consider heating electrification as well.

Ellen Hawes
Senior Policy Analyst
Acadia Center