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February 5, 2020

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Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

RE: Docket No. DRM 19-158
N.H. Code Admin. Rules Puc 900, Net Metering for Customer-Owned Renewable
Energy Generation Resources of 1,000 Kilowatts or Less

Comments of Public Service Company of New Hampshire d/b/a Eversource Energy

Dear Director Howland:

Enclosed please find the comments of Public Service Company of New Hampshire d/b/a Eversource Energy in the above-captioned proceeding.

Thank you for your assistance with this matter. If you have any questions about this matter, please do not hesitate to contact me.

Very truly yours,



Matthew J. Fossum
Senior Regulatory Counsel

Enclosures
CC: Service List

DRM 19-158

**Chapter Puc 900 – Net Metering for Customer-Owned Renewable Energy Generation
Resources of 1,000 Kilowatts or Less**

Comments of Eversource

February 5, 2020

Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”) provides the below comments, edits, and suggestions on the draft Puc 900 rules as contained in the Draft Final Proposal of January 9, 2020 in the instant docket. Eversource’s below comments are focused only on the changes proposed appearing the Draft Final Proposal as it differs from the September 16, 2019 Initial Proposal.

All page references are to the page numbers in the upper right of the document marked “Draft Final Proposal 1-9-20” and appended to the January 9, 2020 Staff recommendation in this docket.

1. Page 14 – 903.03. Eversource supports the intent of the draft language, *i.e.* to add clarity to the rules. Clearly, the existing rules are insufficient. By way of background, RSA 362-A defines “Eligible customer-generator” as follows, and in relevant part:

“Eligible customer-generator” or “customer-generator” means an electric utility customer who owns, operates, or purchases power from an electrical generating facility either powered by renewable energy or which employs a heat led combined heat and power system, with a total peak generating capacity of up to and including one megawatt, that is located behind a retail meter on the customer's premises, is interconnected and operates in parallel with the electric grid, and is used to offset the customer's own electricity requirements.

RSA 362-A:1-a, II-b. The key word in the above definition is “facility”. The current version of Puc 902.09 defines “facility” as:

the energy generating equipment interconnected with the electric distribution system through one or more meters that the distribution utility has installed, or would have installed, in the normal course of its business.

The language above has resulted in undue emphasis being placed on the “normal course of business” of the applicable distribution utility. The ambiguity and uncertainty of what constitutes the “normal course of business” has long been a source of frustration for both Eversource and solar developers. This ambiguity most keenly impacts the development of certain group host solar facilities, sometimes referred to as “stand-alone” facilities. Stand-alone solar facilities are those that are not co-located with an existing retail consumer of electricity.

Solar projects that are co-located with an existing retail customer are sometimes referred to as “customer-sited” solar projects.

As an example of how this ambiguity in the rules is problematic, Eversource has received many proposals from solar developers seeking to interconnect multiple stand-alone projects on the same parcel or adjacent parcels of land. Merely by requesting two or more points-of-interconnection (and two or more retail meters), these developers were presuming that each of the proposed projects would be individually eligible for group host net metering, even if the aggregate capacity of the projects exceeded the statutory limit of one megawatt (MW). Eversource considers this type of development to be inconsistent with intent of the statute, and that allowing developments such as the example above would violate the plain language of the statute. To argue otherwise would make the repeated legislative battles over bills such as HB 365 (in 2019) or HB 1218 (in 2020) empty exercises because there would be no need to revise the one MW limit if a developer need only artificially subdivide a 5 MW project into 5 individual one MW projects.

For purposes of these comments, Eversource has not researched the legislative record to determine the intent of the statutory one MW limit. Supporters of HB 365 often refer to the limit as “arbitrary”. Rather than arbitrary, Eversource believes the one MW limit sets an appropriate boundary between smaller projects that may require incentive programs such as net metering to be economically viable, and larger projects that may be able to find other methods of compensation (*e.g.* the competitive power markets in New England or willing purchasers of the energy they produce). Larger projects undoubtedly benefit from certain economies of scale. A private developer attempting to simultaneously develop two individual one MW projects on either the same parcel or adjacent parcels of land will likely incur total project costs that are very similar to that of a single two MW project. It is logical to conclude that the legislative intent of the one MW net metering limit was to focus limited incentive funding to those projects whose cost structure demanded the incentive.

As an extreme, but real, example, in the summer of 2019 when the ultimate disposition of HB 365 was in doubt, a single developer submitted to Eversource five individual interconnection applications for five individual stand-alone solar projects, each 5 MW in capacity, all co-located on adjacent and contiguous parcels. This was, in all material respects, a 25 MW utility-scale solar facility divided up into 5 individual portions. The developer stated its intention to net meter all five of these projects upon passage and implementation of HB 365. Without effective rules in Puc 900, it is possible that this 25 MW utility-scale solar project would be eligible for net metering incentive compensation, all funded by Eversource customers.

The draft rules proposed on January 9, 2020 address the concern with stand-alone projects (described above) while also protecting the ability of existing and new retail consumers of electricity to self-generate and be eligible for net metering. Eversource agrees that the January 9, 2020 draft rules provide the necessary clarity to ensure that stand-alone projects on the same or adjacent parcels are not permitted to artificially split a larger development into multiple smaller projects to avail those projects of net metering in a way that defeats the legislative intent

of RSA 362-A. The rules provide the necessary exemptions to allow customer-sited projects to remain eligible.

Eversource offers one suggestion relative to Puc 903.03. Without additional language, it may be possible for developers and land owners to artfully redraw existing parcel boundaries (or create additional parcels) in a manner that avoids certain aspects of Puc 903.03. Accordingly, Eversource proposes that language similar to the below be added to the rule:

In the event where the status of a development as a single project or multiple projects is unclear to the relevant utility or the Commission, the burden shall be on the renewable energy project developer to provide evidence to the utility, the Commission, or both, sufficient to demonstrate that proposed net metering projects comply with the language and intent of Puc 903.03 and, specifically, to provide evidence that parcel boundaries have not been altered for the purposes of increasing net metering eligibility.

2. Page 38 – 909.06(c)(2). The current proposed rule specifies that changes to a group receiving on-bill crediting are to be effective on the next host and customer billing cycle at least 5 business days follow the date of a change notification. In light of the need to review, validate, and accommodate the information in the change notification as defined in 909.06(e), Eversource believes that 5 business days is likely too short a time frame. While at the public hearing Eversource had recommended 10 business days, upon further review of the issue Eversource recommends amending the term to 30 days to capture a full cycle and to clarify that the clock starts following the verification of data received. Moreover, the 30-day timeframe would better accommodate those instances where a host submits changes for a substantial number of member accounts at one time and/or where multiple hosts submit changes at one time.

3. Page 38 – 909.06(c)(4) and 909.06(d). The current proposed rules specify that certain actions are to be undertaken in the event a group member finalizes its account. The rules indicate that the credits will continue to accrue until a change is implemented. Rather than await a change, Eversource recommends that the circumstance be handled more similarly to that described in 909.06(c)(5) where the allocation for that member is redistributed to the host.

4. Page 38 – 903.06(c)(5). It appears that the word “to” should be inserted following the word “redistributed”.

5. Page 41 – 909.08(n). The proposed rule requires that a utility “make available” information to a host following each host billing cycle. Eversource requests that the term “make available” be clarified to explain what qualifies, *i.e.*, does an email or letter qualify, should it be posted to a website, or is something else required? Additionally, compiling and providing the information required on each host’s billing cycle for every group host who may be involved in on-bill crediting will require an extensive manual effort. Eversource would request that the requirement for providing the information be relaxed to annually or semi-annually.

6. As a general comment, Eversource also notes that implementing these rules, and, in particular, the on-bill crediting will require manual efforts and likely the hiring of one or more

employees on a full-time basis to process payments, assure accurate billing, generate reports, respond to inquiries and otherwise conduct the program. Eversource requests that the Commission, whether in the rules or otherwise, make a provision for timely recovery of the incremental costs of complying with these new regulatory requirements.