

STATE OF NEW HAMPSHIRE

Inter-Department Communication

NHPUC 15DEC16PM4:28

DATE: December 15, 2016

AT (OFFICE): NHPUC

FROM: Barbara Bernstein^{BB}, Sustainable Energy Analyst

SUBJECT: DE 10-128 Energy Audits Unlimited, Request for Waivers of Puc 2505.09(a) Direct Service Requirement for Independent Monitors

TO: Martin P. Honigberg, Chairman
Robert R. Scott, Commissioner
Kathryn M. Bailey, Commissioner
Debra A. Howland, Executive Director and Secretary

CC: Karen Cramton, Director, Sustainable Energy Division^{KC}
David K. Wiesner, Staff Attorney

On November 14, 2016, Paul Button of Energy Audits Unlimited (EAU) filed a letter requesting a waiver from the Puc 2505.09(a) rule provision governing independent monitors so that EAU's independent monitoring fees can be deducted by a renewable energy certificate (REC) aggregator from the net proceeds of applicable REC sales and then paid to EAU. EAU was approved as an independent monitor of New Hampshire customer-sited sources generating renewable electricity production in 2010 (Docket DE 10-128). In addition, EAU requested, and was granted, waivers from Puc 2505.09(a), Puc 2505.09(i)(2), and Puc 2505.09(j) in July, 2016 to assist its business model.

Under 2505.09(a), the services of an independent monitoring are required to be retained directly by each customer-sited renewable energy source, and this restriction would not permit Knollwood Energy of MA LLC (Knollwood), in its role as a REC aggregator, to deduct from its net proceeds of REC sales the annual flat fee charged by EAU for its independent monitoring services and pay the amount of such fee to EAU.

In particular, EAU describes the proposed Knollwood fee amount deduction and payment arrangements as follows:

1. Knollwood will deduct an amount equal to the EAU flat fee for independent monitoring services from the sales proceeds of RECs generated by a solar PV system and then pay the deducted amount to EAU.
2. EAU, as Independent Monitor will receive compensation only in the form of a flat fee, effectively collected by Knollwood rather than EAU, and EAU will receive no compensation that is a function of REC production by a monitored renewable energy source.

Approval of this requested rule waiver would relieve EAU of the administrative burden of directly billing and collecting its annual flat fee for monitoring services from those customer-sited renewable energy sources who use Knollwood as their REC aggregator. In this regard, it would increase the efficiency of fee billing and collection from the perspective of both EAU and its independent monitoring customers.

Staff notes that EAU verifies the majority of small PV systems in the state and therefore performs a vital function in the Class II REC market. Allowing this revised model for fee billing and collection will streamline the process, ensuring that EAU will receive payment for its independent monitoring services and enabling EAU to continue to offer these services.

Staff observes that, if the Commission were to approve the requested rule waiver, it would help to ensure that small solar PV facilities that have not installed electronic metering will continue to have access to independent monitoring services.

In conclusion, Staff recommends that the Commission grant the requested rule waiver under Puc 201.05, based on a finding that the waiver will not disrupt the orderly and efficient resolution of matters before the Commission and will serve the public interest, where compliance with the rules would be onerous given the circumstances of the affected person and the purpose of the rules would be satisfied by the alternative method proposed.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov

maureen.reno@puc.nh.gov

paul.button42@gmail.com

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FILING INSTRUCTIONS:

a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:

DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.

c) Serve a written copy on each person on the service list not able to receive electronic mail.