



## REVISION ENERGY



January 31, 2020

Ms. Debra A. Howland  
Executive Director, NH Public Utilities Commission  
21 South Fruit Street, Suite 18  
Concord, New Hampshire 03301

**RE: DE 10-212 Commercial and Industrial (C&I) Solar Incentive Program -  
Recommendations for Program Modifications**

Dear Ms. Howland,

ReVision Energy is pleased to submit the following two proposed modifications to the Commercial and Industrial (C&I) Solar Incentive Program of the New Hampshire Renewable Energy Fund. We believe these modest changes to the rebate processing and cap structure will increase the positive impact of the Renewable Energy Fund for its intended small-scale C&I project beneficiaries. Our recommendations are based on our extensive experience designing, permitting, and installing rebate-eligible projects for New Hampshire schools, towns, nonprofits, and small businesses.

### **1. Conditions for Rebate Extensions**

We understand the need to facilitate efficient application processing and queue management, while ensuring that applications received are for mature projects. With respect to the recommendation that "upon written request, extensions of approved Step 1 applications should be limited to a one-time only extension of no more than two months," we suggest modification of this language to include "Further extensions of the Step 1 approval should be allowed only if extenuating circumstances and full compliance with the program terms are demonstrated."

We feel it is important that the language allows flexibility for the rare project, for example new construction, that may meet Step 1 Application requirements but encounter delays outside of control that prevent construction within the proposed extension timeline. In those cases, a lost rebate at that stage of the project would impose a significant hardship.

## 2. Rebate Cap Tiering

We also recommend the following tiered system of capping C&I rebate amounts based on the amount of available C&I rebate funding in a given fiscal year in the Renewable Energy Fund:

- \$10,000 rebate cap if available funding is less than \$1.5 million
- \$20,000 rebate cap if available funding is between \$1.5 million and \$3 million
- \$30,000 rebate cap if available funding exceeds \$3 million
- *We do not propose an alteration of the \$0.20 per watt funding formula*

The proposed tiered funding cap levels seek to balance the need for a reasonable degree of certainty for potential C&I customers that projects will receive some amount of rebate funding on the one hand, and the need for a non-trivial (>5-10%) amount of funding to enable the continued success of smaller C&I projects that do not enjoy meaningful economies of scale. The caps proposed would permit a similar number of C&I projects to be funded on an annual basis as in prior years while mitigating the extent to which rebate amounts are reduced relative to the most recent \$50,000 per project cap (2018-19) and the prior \$150,000 cap, as REF fund levels permit.

Several market and/or policy factors support the need for higher per project caps than the proposed \$10,000 flat amount in order to enable the continued growth of small-scale C&I solar projects in New Hampshire that benefit small businesses and community institutions:

- **Reduction in federal solar tax incentives** in 2017 (corporate tax rate/depreciation) and substantial reductions from 2020 onward (ITC step-down from 30% to 10% in 2023)
- **Imposition of tariffs on imported solar panels** in 2017 and subsequent tariffs on other necessary components in 2018-19
- **Reduction in net metering value** for solar customer-generators from 1:1 retail value to ~75% of retail value after the PUC net metering settlement of 2017
- **Collapsing REC market** as a result of the state's extremely low 0.7% solar RPS requirement through 2029 (achieved in 2019) and the practice by Eversource and other utilities of "sweeping" unclaimed RECs to meet RPS



With the recent market factors, a \$10,000 flat cap will provide only ~4% of the gross cost for 100kw AC projects, ~2-2.5% of gross cost for 250kw projects, and ~1% of gross cost for 500kw AC projects, levels well below the recent changes, negatively impacting the overall financials. The proposed tiered funding cap will help to alleviate the reduction in project financials, incentivizing more DER that we all know benefits NH ratepayers and stabilizes NH's clean energy workforce.

Additional supporting information concerning past project and funding levels, as well as the positive impact of the REF C&I Rebate program, is provided below.

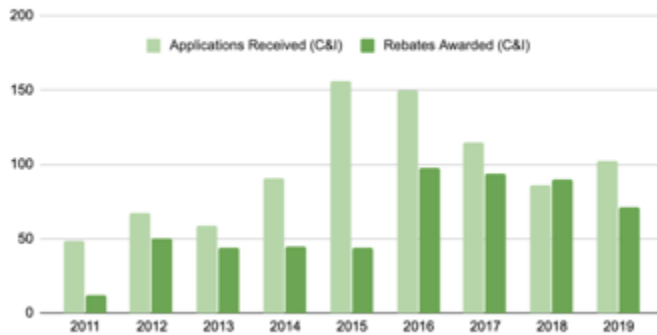
Thank you for your kind consideration.

Dan Clapp, Dan Weeks, Megan Ulin  
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7A Commercial Drive  
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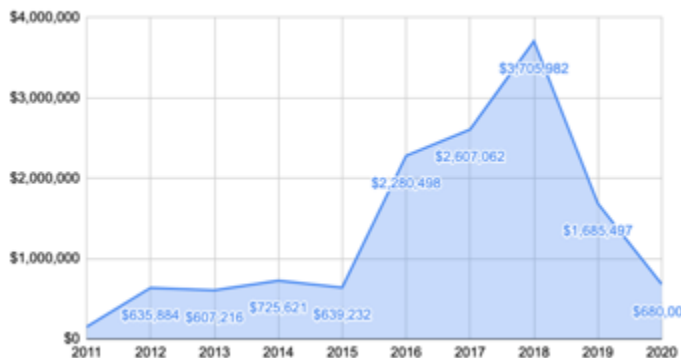
## SUPPORTING INFORMATION

### 1. NH PUC Renewable Energy Fund C&I Rebate Statistics for 2011-2019

C&I Rebate Applications Received and Rebates Awarded, 2011-19



C&I Rebate Funds Disbursed, 2011-2020 (est.)



### 2. Public benefit analysis of C&I Rebate-funded projects in New Hampshire

Although data is not available on all 548 C&I projects that have received REF rebates since the program was introduced in 2011, careful analysis of internal developer data for all 148 REF-supported solar projects installed by ReVision Energy since 2015 (37% of the total REF projects in 2015-19) clearly shows the broad distribution and public benefit impacts of the REF. Collectively, the projects under study totaled nearly **10 MW of installed capacity** (65 kW average size), injected **\$24.8 million** into New Hampshire's economy, supported **hundreds of local jobs**, and offset over **10 million pounds of carbon pollution** annually with an anticipated commercial lifespan of 40 years per project. A summary of statistics for the 148 studied projects follows.

**Geographically Distributed:** Projects spanned 72 towns and cities in all ten New Hampshire counties with three-quarters of all projects in small- or mid-sized towns with population under 15,000.

- 59 projects (40%) were located in small towns with under 5,000 population
- 52 projects (35%) were in mid-sized towns of 5,000-15,000 population
- 37 projects (25%) were in larger towns or cities over 15,000 population

**Public/Community Benefits:** Two-thirds of projects were for tax-exempt public benefit organizations (PPA financed by ReVision Energy's mission-driven impact investors) including schools/universities, municipalities, and a wide array of community nonprofits.

- 32 projects (22%) were for schools and universities (public and private)
- 31 projects (21%) were for municipalities (including town offices, libraries, public works facilities, etc)
- 32 projects (22%) were for general nonprofits spanning affordable housing, soup kitchens and shelters, community centers, arts organizations, and houses of worship, camps and outdoor centers

**Small Business Benefits:** Nearly all of the 53 remaining projects that received rebate funding were for small, locally-owned businesses spanning a wide range of industries and sectors including:

- Farms and lumber yards
- Manufacturing
- Tourism and hospitality
- Arts and culture
- Retail and professional services

**Small Projects:** The vast majority of projects supported by state rebates were small in size and therefore not subject to economies of scale that inevitably make projects being less dependent on state rebates.

- 93 small projects (63%) under 50 kW (AC) including 55 very small projects (37%) under 25 kW
- 47 (32%) mid-sized projects of 50-100 kW (AC)
- 8 larger projects (5%) over 100 kW (AC) with only two (1%) over 300 kW