



CLEAN ENERGY NH

Your Voice in All Energy Matters

NHPUC 10SEP'19AM8:54

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September 6, 2019

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

Re: Docket No. IR 15-296
Investigation into Grid Modernization
Clean Energy NH Comments

Clean Energy NH, formerly known as New Hampshire Sustainable Energy Association, has been a participant in this grid modernization docket since its inception. We submitted our first set of comments in September 2015.¹ We participated in the Grid Modernization Working Group facilitated by Dr. Jonathan Raab. We then submitted additional comments in May 2017 following the completion of the Grid Mod Report.² In April of this year we submitted a third set of comments, following the release of the Staff's Recommendation on Grid Modernization.³ In response to Commission order No. 26,254 issued May 29th, 2019 we are submitting additional comments on some of the 11 unresolved issues identified in Staff's May 15th, 2019 report.

Hosting Capacity/Locational Value Analysis/Interconnection

Timely and efficient interconnection processes and policies are necessary for grid modernization.

In our previous comments we recommended creating an interconnection working group to work collaboratively on improving interconnection processes/procedures and to ensure consistency and efficiency. We continue to propose that such a work group would be beneficial to advancing the goals of grid mod. We are happy to see the utilities also now proposing to establish a standing technical committee on Distributed Energy Resources (DER) integration

¹ <https://www.puc.nh.gov/regulatory/Docketbk/2015/15-296.html> Tab 15.

² <https://www.puc.nh.gov/regulatory/Docketbk/2015/15-296.html> Tab 54.

³ <https://www.puc.nh.gov/regulatory/Docketbk/2015/15-296.html> Tab 72.



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that will work on these same issues. Such efforts will help us to realize the value of establishing hosting capacity analyses before higher levels of DER penetration begin potentially stressing the distribution or transmission system. We wholeheartedly agree that there is urgency to work collaboratively now to develop and provide hosting capacity information and improve and standardize interconnection processes and policies. CENH and its members are eager to work with the utilities and other stakeholders to participate in such a process, to study lessons and best practices from other states, and to ensure that we can avoid interconnection problems, backlogs, unreasonable wait times and costs as adoption of DERs increases in NH. Optimizing interconnection processes, policies, hosting capacity, and locational value will encourage adoption of DERs generally and specifically where they can produce the most value to the grid and for all ratepayers.

Utility and Customer Data and Third Party Access

The recent passage of SB 284 of 2019 with the aim to establish a statewide, multi-use online energy data platform, presents an opportunity to leverage data to empower grid modernization that will be beneficial to customers. CENH understands that this bill tasks the Commission to initiate a proceeding to evaluate the costs and benefits of developing such a data platform and resolve several issues needed to proceed with implementation. As a result of this impending process, we anticipate that the majority of work related to utility and customer data and third party access will occur in this new docket rather than grid mod in the near term.

Strategic Electrification Policy

Strategic electrification should not become an extension of utilities' monopoly franchises, but should rather create opportunities for private market investment and participation whenever possible.

The encouragement of strategic electrification resulting in load growth should be accompanied with smart rate design in order to empower customers to modify their behavior to reduce both their costs and system-wide costs as well as ensure that the rate offered is appropriate for the specific application. In particular, CENH recommends that any utility investment in electrical vehicle "make ready" infrastructure or actual infrastructure be accompanied with the development of best-practices vehicle charging rates for specific charging applications.



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Utility Cost Recovery

The Commission's 2016 Grid Modernization Order No. 25,877 on Scope and Process states:

*"Grid modernization technologies and practices have prompted calls in other states for new ways of addressing utility cost recovery and financial incentives, with some stakeholders calling for new regulatory models to better fit the needs of the 'utility of the future.' Central to these proposals is the premise that under traditional cost-of-service regulation electric utilities are not provided with sufficient financial incentives to properly investigate and implement all potentially beneficial grid modernization technologies and practices."*⁴

CENH agrees that new regulatory models are needed to better fit the needs of the utilities of the future and as a result customers' expectations of the services delivered and made possible by a modern utility and grid.

Addressing throughput incentive is necessary in the context of grid mod. CENH supports revenue decoupling as a regulatory mechanism to address the throughput incentive rather than the current Lost Revenue Adjustment Mechanism approach.

CENH supports performance-based regulation and other regulatory tools that reduce undesirable utility incentives and motivate utilities to move forward the goals of grid modernization. Utilities should be encouraged to make investments to achieve specific and measurable goals to modernize the grid and service offered to their customers.

Consolidated Billing/General Billing

Modernization of utility billing systems to provide needed functionality and versatility is important for grid modernization. We cannot have a modern grid without out a modern billing system to enable the many goals of grid mod. We hope to see significant progress in the functionality of utility billing systems in the implementation of on-bill crediting for group net metering thanks to the passage of SB 165. We hope and recommend that complying with such new required functionalities will be done by automated processes and not manual entries.

⁴ <https://www.puc.nh.gov/regulatory/Docketbk/2015/15-296.html> Tab 29



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Please also reference page four of our comments from April of this year for additional discussion of utility billing systems.⁵

Other Topics:

Regarding Consumer Advisory Council/Stakeholder Engagement, there should be stakeholder engagement and regular opportunity for meaningful input provided during grid mod plan development, project prioritization, and implementation. We sincerely hope that stakeholder input will be valued rather than seen as meddling by the utilities.

Regarding advanced metering infrastructure (AMI), it is an important enabling technology that can be used to leverage private investments that create value for all grid users. AMI is necessary to enable dynamic rates, valuable data collection and use, and generally empower customers with DERs. As recommended in the original 2017 Grid Mod Report, customers should have the option of opting into AMI if they so choose.

Conclusion

The original 2017 Grid Mod Report, authored collaboratively by the NH Grid Modernization Working Group, emphasizes customer engagement with and enablement of distributed energy resources (DER) as the central component of a modern electric grid. We encourage the Commission to continue to hold this in mind as the issues of central importance to a modern electric grid.

PUC Order No. 26,029, issued in a separate but related docket (DE 16-576, Development of New Alternative Net Metering Tariffs and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators), illustrates efforts by the Commission to make progress on customer engagement with DERs, data, and rate design. The Order directed the utilities to pilot time-of-use rates for net metering, non-wires alternatives, and low- and moderate-income solar, all of which would collect data to feed into a value of DER study. These pilots and studies have not progressed as anticipated. CENH encourages the Commission and the utilities to follow through Order No. 26,029, and implement these pilots and studies which would benefit the

⁵ <https://www.puc.nh.gov/regulatory/Docketbk/2015/15-296.html> Tab 72.



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development of future net metering rates and policies but also provide valuable information for grid modernization.

CENH continues to hold the position that these unresolved issues are unlikely to be resolved under the current comment and tech session approach. We also hold the position that these issues should be resolved before utilities prepare IDPs. Resolving these issues at the start of the process will be most efficient for all parties involved and for the development and approval of plans if utilities are provided with clear limitations and expectations.