
From: Patricia Martin <pmartin2894@yahoo.com>
Sent: Friday, October 20, 2017 12:37 AM
To: PUC - Executive.Director
Subject: Martin Comment on DE 15-302

October 19, 2017
Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

Dear Ms. Howland,

I'm writing with regard to DE 15-302 and the need to revise renewable subsidies downward because of insufficient funding in the Renewable Energy Fund.

It is very unfortunate that the solar PV rebates to residential customers will be reduced by at least \$1000 per system. I say unfortunate because a recently imposed tariff on solar panels will cost consumers an extra 25% per panel. This is the wrong time to be cutting subsidies...unless you're a fan of the utilities and the fossil fuel industry.

The point of the Renewable Energy Fund (REF) is to encourage development of renewable energy resources that create a robust and cost effective market for renewable energy. If renewable energy is scarce and Renewable Energy Credit (REC) prices were too high, the utilities are given the option of making Alternative Compliance Payments (ACP) instead of purchasing RECs. ACP funds are the only source of funding for the REF.

Theoretically, the ACP payments fund the REF in order to spur more renewable energy development which, in turn, brings REC prices down over time.

Instead of making ACP payments when RECs are scarce, the utilities have petitioned the Public Utilities Commission (PUC) year after year since 2012 to waive their RPS obligations. Ironically, the scarcity of available RECs in NH is related to the very low ACP prices compared with surrounding states.

I submitted a comment in PUC docket DE 16-850 in December of 2016 asking that the PUC not grant the utilities yet another waiver of their obligations for RPS 2016 Class I Thermal and 2017 Class III Requirements. The utilities prevailed and were relieved of their obligations.

The excuse for granting these waivers is always the same; we need to lower consumer prices and the utilities will only pass the cost of the ACPs along to their customers. I estimate that these waivers have cost the REF \$4 million per year. Making the REF so thin deprives the New Hampshire economy of the tens of millions in dollars that these modest investments leverage.

New Hampshire RPS Obligations?

Calendar Year	Total Requirement	Class I	Thermal Class I	Class II	Class III	Class IV
2008	4.00%	0.00%	0.00%	0.00%	3.50%	0.50%
2009	6.00%	0.50%	0.00%	0.00%	4.50%	1.00%
2010	7.54%	1.00%	0.00%	0.04%	5.50%	1.00%
2011	9.58%	2.00%	0.00%	0.08%	6.50%	1.00%
2012	5.55%	3.00%	0.00%	0.15%	1.40%	1.00%
2013	5.80%	3.80%	0.00%	0.20%	0.50%	1.30%
2014	7.20%	5.00%	0.40%	0.30%	0.50%	1.40%
2015	8.30%	6.00%	0.60%	0.30%	0.50%	1.50%
2016	9.20%	6.90%	1.30%	0.30%	0.50%	1.50%
2017	17.60%	7.80%	1.40%	0.30%	8.00%	1.50%
2018	18.50%	8.70%	1.50%	0.30%	8.00%	1.50%
2019	19.40%	9.60%	1.60%	0.30%	8.00%	1.50%
2020	20.30%	10.50%	1.70%	0.30%	8.00%	1.50%
2021	21.20%	11.40%	1.80%	0.30%	8.00%	1.50%
2022	22.10%	12.30%	1.90%	0.30%	8.00%	1.50%
2023	23.00%	13.20%	2.00%	0.30%	8.00%	1.50%
2024	23.90%	14.10%	2.00%	0.30%	8.00%	1.50%
2025 and thereafter	24.80%	15.00%	2.00%	0.30%	8.00%	1.50%

Senate Bill 218 (SB 218), which was enacted in 2012, required electricity providers to purchase useful thermal RECs representative of 0.2 % of their delivered electricity or make a payment of \$25 per megawatt hour in ACPs to the REF. (RSA 362-F: 3 and RSA 362-F:10, II (a)) SB 218 also required the Commission to implement rules to ~~“adopt procedures for the metering, verification, and reporting of useful thermal output.”~~¹⁰

Even more distressing than these waivers and failure to meet basic obligations is learning about the practice of allowing the utilities to “sweep” unclaimed solar RECs. The utilities were able to reduce their Class II obligation from .3% to approximately .06% by appropriating any unclaimed S-RECs. They didn’t even have to make ACP payments to claim them!

And why are there so many unclaimed solar RECs? In part it’s because of the byzantine design of NH’s REC system. Our legislature added regulations so that if you want to claim a REC you must have your output verified by an independent auditor. This typically costs \$150 per year for a homeowner. An average residential system produces 7 RECs per year. When the solar REC price in NH fell to \$21 recently, many residential systems didn’t bother to claim them. Also, many people with older systems never registered their systems with the PUC in order to claim RECs. The value of all those RECs are just handed to the utilities without putting anything into the REF in exchange. This does not seem like a policy that encourages the development of renewable energy sources.

I understand that both these methods of shortchanging the REF are perfectly legal and written into the regulations or RSAs. I hope that these deficiencies are fixed in order to strengthen the REF and allow it to operate as it was intended.

It’s become obvious that the RPS goal of achieving 25% renewable energy in the generation mix is totally inadequate to the growing demand by the public to achieve 100% renewable electricity supply by 2030. We must strengthen our REF and invest in robust and innovative projects.

Although you may be forced to reduce subsidy prices this year, I would like to see this be a temporary order until the problem can be fixed and subsidies restored to be competitive with our neighboring states as soon as possible.

Thank you for the opportunity to comment and ask questions on this important matter.

Pat Martin

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