

STATE OF NEW HAMPSHIRE

Intra-Department Communication

DATE: May 30, 2019

AT (OFFICE): NHPUC

FROM: Karen Cramton, Director, Sustainable Energy Division *KJC*

SUBJECT: DE 10-024, DE 10-212, DE 13-298, DE 15-302, DE 16-614: Request to Reallocate Fiscal Year 2019 Program Budgets

TO: Martin P. Honigberg, Chairman
Kathryn M. Bailey, Commissioner
Michael S. Giaimo, Commissioner
Debra Howland, Executive Director

CC: Juli Pelletier, Business Administrator

NHPUC 30MAY19PM2:19

The Renewable Energy Fund (REF) is a dedicated, non-lapsing fund whose purpose is to support electrical and thermal renewable energy initiatives. By secretarial letter dated August 29, 2018, the Commission approved the program budget for state fiscal year 2019 (FY19) (July 1, 2018 through June 30, 2019). By secretarial letter dated April 1, 2019, the Commission approved the reallocation of program funding for certain Residential and Commercial and Industrial programs. Budget and program details of the REF are available in the Commission's online docket book for DE 10-024 at <https://www.puc.nh.gov/Regulatory/Docketbk/2010/10-024.html>.

This memorandum requests Commission approval to amend certain program budgets based on current program demand and projected spending for the remainder of FY19.

Program Status

Staff monitors REF programs and their respective budgets throughout the fiscal year. As of May 28, 2019, the Residential Solar PV and Wind Rebate program and Commercial and Industrial (C&I) Solar Rebate program budgets are nearly fully reserved. In contrast, the Residential Bulk Fed Wood Pellet Boiler/Furnace Rebate, (C&I) Wood Pellet Bulk Fuel Fed Central Heating Rebate, and Residential Solar Water Heating Rebate programs have experienced only moderate demand. Further, the C&I Competitive Grant program recently received Governor and Executive Council approval for two grant awards. These grants totaled \$950,000; leaving \$50,000 remaining in the program's budget and thereby providing additional funding for rebate programs in FY19. Table 1 below summarizes approximate available funds for each program.

Table 1: Approximate Available Program Funds as of May 28, 2019

Program	Approximate Funds Available
Residential Solar PV and Wind Rebates	\$100,000
Residential Bulk Fed Wood Pellet Boiler/Furnace Rebates	\$140,000
Residential Solar Water Heating Rebates	\$ 3,000

Program	Approximate Funds Available
C&I Solar Rebates	\$ 10,000
C&I Wood Pellet Bulk Fuel Fed Central Heating Rebates	\$190,000
C&I Competitive Grant	\$ 50,000

The FY19 budget included \$150,000 to retain consultant services necessary to complete division projects such as the 2018 Renewable Portfolio Standard Review. Not all funds were expended; therefore, staff requested \$99,000 be transferred from the “Consultants” budget to “Grants and Programs” budget line. The Department of Administrative Services approved this transfer.

Program Budget Reallocation Request

Based on anticipated demand, Staff recommends reallocating a total of \$224,000 from the “Consultants” budget and various programs, including the C&I Competitive Grant and C&I Wood Pellet Bulk Fuel Fed Central Heating Rebate programs to the Residential PV and Wind Rebate and C&I Solar Rebate programs. Program budget adjustment recommendations are provided below in Table 2.

Table 2. Recommended FY19 REF Program Budget Reallocations

Program	FY19 Budget (as adjusted on April 1, 2019)	Adjustment	Recommended Adjusted FY19 Budget
Consultants (<i>already approved</i>)	\$150,000	(\$99,000)	\$51,000
Residential PV and Wind Rebates	\$1,162,625	\$99,000	\$1,261,625
C&I Solar Rebates	\$3,586,028	\$125,000	\$3,711,028
C&I Wood Pellet Bulk Fuel Fed Central Heating Rebates	\$625,004	(\$75,000)	\$550,004
C&I Competitive Grant Program	\$1,000,000	(\$50,000)	\$950,000

As previously directed by the Commission, if individual program funds are fully reserved, Staff will suspend new rebate program reservations and establish individual program waiting lists to establish priority for the processing of applications if, and when, additional funding becomes available. Additional funding for the REF is expected at or around the start of the next fiscal year; July 1, 2019. Staff will also continue to monitor all programs for expired step 1 applications, indicating projects are not moving forward, to release additional funds as appropriate.

The aforementioned recommended reallocation of funds would have an insignificant impact on the reasonable balancing of overall funds expended, allocated, or obligated between the residential and non-residential program sectors over the 2-year period. (see RSA 362-F:10, X) The recommended budget adjustments meet other statutory allocation requirements.

Staff recommends the Commission approve the Residential and Commercial and Industrial program budget reallocations that are presented in Table 2.

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