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STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

August 28, 2015 - 10:10 a.m.  
Concord, New Hampshire

NHPUC SEP17'15 PM 1:22

RE: DE 15-302  
ELECTRIC UTILITIES:  
Residential Renewable Electric  
Generation Incentive Program.  
*(Hearing to receive public comments)*

PRESENT: Chairman Martin P. Honigberg, Presiding  
Commissioner Robert R. Scott  
Commissioner Kathryn M. Bailey  
  
Sandy Deno, Clerk

APPEARANCES: *(No appearances taken)*

Court Reporter: Steven E. Patnaude, LCR No. 52

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**P R O C E E D I N G**

1  
2 CHAIRMAN HONIGBERG: Good morning,  
3 everyone. We're here this morning in Docket DE 15-302, to  
4 consider modification of incentive payment levels.  
5 Earlier in August, Commission Staff filed a memorandum  
6 recommending certain modifications to the terms and  
7 conditions of Residential Renewable Electric Generation  
8 Facility Incentive provided for under RSA 362-F:10, V, and  
9 established by Commission order earlier.

10 The proposed modifications are based on  
11 the continued broad and growing interest in the Incentive  
12 Program, and in consideration of assuring that there are  
13 available renewable energy funds to support participation  
14 in the Program. Staff has recommended that the Commission  
15 reduce the incentive payment from the current level of 75  
16 cents per watt, to 50 cents per watt, and reduce the per  
17 system maximum incentive amount from \$3,750, to \$2,500, or  
18 30 percent of total system cost, whichever is less.

19 We are here to get public comments on  
20 Staff's proposal. We do have a sign-in sheet. And, I see  
21 nine people have signed in, two have said "yes", they wish  
22 to speak, three have said "maybe", and at some point very  
23 soon those "maybes" are going to have to make a decision  
24 here about whether they want to speak. We'll let you know

1 when that is.

2 So, we'll call people in the order in  
3 which they signed in. I'll take, to give that first  
4 "maybe" a break, we'll take the two "yesses", and then  
5 start calling on "maybes". So, the two "yesses" Greg Blake  
6 and Erik Shifflett. So, we'll take Mr. Blake first.

7 And, if you can find a microphone, and  
8 maybe sure that it's turned on and the red light, and you  
9 stay close to that microphone, everybody will be happy.

10 MR. BLAKE: Okay.

11 CHAIRMAN HONIGBERG: All right. Would  
12 you please identify yourself, and then share with us your  
13 comments.

14 MR. BLAKE: Sure. I'm Greg Blake, with  
15 South Pack Solar. I'm in Peterborough, New Hampshire. I  
16 don't have any prepared remarks, except I'd like to  
17 express my opinion that, if the program were to have gone  
18 away or would go away, it would certainly be much, much  
19 worst, in terms of my business, than if it were reduced.  
20 I'm not tremendously excited about a reduced rate in the  
21 Rebate Program. So, some is better than none, I think is  
22 really the point of view that I'd like to express to the  
23 Commission here.

24 CHAIRMAN HONIGBERG: Thank for those

1 comments.

2 MR. BLAKE: Yes. Just in terms of the  
3 customer base that I have, most of the customers that I've  
4 done residential systems for are people of means. And, in  
5 a way, a slight reduction in the rebate doesn't really  
6 matter much, in terms of their decision to do a system. I  
7 think a reduction matters much much more to folks of  
8 modest means, that are, you know, even with the reduced  
9 cost of doing a PV system, probably we lose some on that  
10 end, in terms of people that just can't swing it, can't  
11 possibly afford to come up with the kind of money that  
12 they need to come up with to do a system. So, we lose  
13 people at the lower end of the economic scale that might  
14 be on the fence about doing a system.

15 Some of the things that I've done for  
16 customers in that range include waiting for the rebate to  
17 come, essentially holding that back, so that I get paid  
18 eventually, but I'm acting as a bit of a bank for those  
19 customers. So, that reduces the down payment amount. So,  
20 this hurts a little bit at that end. I think it's  
21 important to recognize that that's the likely impact.  
22 But, if there's limited money, some is better than none.

23 CHAIRMAN HONIGBERG: Thank you,  
24 Mr. Blake.

1 Erik Shifflett is next, and then to be  
2 followed by Jack Ruderman.

3 MR. SHIFFLETT: Thank you. This is Erik  
4 Shifflett. And, I represent Granite State Solar. And,  
5 I'm here with my business partner, Alan Gauntt, today.

6 I'm here to advocate for keeping the  
7 Renewable Energy Fund for residential solar installations  
8 completely intact. And, I have a financial argument that  
9 I think carries a lot of weight and holds water and would  
10 stand up to scrutiny to make the argument.

11 The Renewable Energy Fund was created to  
12 promote the growth of solar and renewables in New  
13 Hampshire. And, in particular, relating to solar, the  
14 Renewable Energy Fund has done a great job of generating a  
15 solid return on investment. In other words, it's had it's  
16 intended effect of increasing adoption of solar technology  
17 and reducing the return on investment timeframe to make  
18 solar more attractive for consumers and businesses alike.

19 Now, in terms of what the state receives  
20 dollar-for-dollar from funds that are spent out of the  
21 Renewable Energy Fund, the residential solar generates  
22 quite a bit more return on investment for the state than  
23 the commercial incentives. And, I would advocate that, if  
24 we were to consider reducing any portion of the Renewable

1 Energy Fund incentive amount, it should be reduced from  
2 the commercial side.

3 And, here's why: Residential average  
4 solar array sizes for our company are 8 kW. And, the  
5 residential cap, at 3,750, 75 cents a watt, comes into  
6 play at 5 kW. So, when we install an average size  
7 residential solar array, the state sees 8 kW of solar  
8 brought on line, but it only pays for 5 kW. The state  
9 sees a 60 percent incremental increase in the amount of  
10 solar installed for the dollar.

11 If it's a commercial rebate that's being  
12 paid out, let's say it's a Category 1 100-kW system, the  
13 state pays \$75,000 out of the Renewable Energy Fund for  
14 that 100-kW. It's a one-to-one. Yes, the REF gets what  
15 it pays for. If that same \$75,000 was spent on  
16 residential rebates, the state gets 160 percent of what it  
17 paid for. That \$75,000 would generate enough funding for  
18 residential installations to do 20 installations.

19 And, now, an additional economic  
20 argument here is local economy. Now, we are a growing  
21 company, we have 18 employees, soon to have 20, as soon as  
22 we can find another electrician, diamonds in the rough.  
23 And, we are local installers, local integrators, paying  
24 our folks a very solid, solid wage. They're all very

1 skilled employees. These are living wage jobs. These are  
2 not retail jobs where people still require public  
3 assistance.

4 This reinvestment in the economy, for us  
5 this year, has already represented millions of dollars.  
6 We are literally a multimillion dollar company, but we are  
7 not multimillion dollar profitable. And, our reinvestment  
8 in New Hampshire is quite significant.

9 And, to keep the commercial rebates  
10 intact, and allow and promote large commercial arrays,  
11 with out-of-state companies and out-of-state integrators,  
12 would definitely be a short-term benefit for a financier  
13 or a commercial project owner. But it doesn't spread the  
14 wealth as broadly as the Residential Rebate Program, which  
15 benefits local economy, local contractors, local  
16 employees, and resident taxpayers, your base, our base,  
17 residents/taxpayers/homeowners paying property taxes are  
18 the beneficiaries of the residential rebate.

19 Additionally, you know, because we get  
20 some -- because the state receives so much additional kW  
21 of solar installed for dollars spent out of the Renewable  
22 Energy Fund on the residential side, we're actually  
23 benefiting the utilities as well, by helping them achieve  
24 their Renewable Portfolio Standards more quickly than the



1 large commercial arrays would, or more broadly.

2 So, I think, considering that, you know,  
3 the impact that reducing the Residential Renewable Energy  
4 Fund amount would have on industry, on resident taxpayers  
5 in the state, and the benefits of keeping it intact, I  
6 would highly advocate for staying at 3,750, and  
7 potentially, if needed, reducing the funds on the  
8 commercial side instead.

9 CHAIRMAN HONIGBERG: I think  
10 Commissioner Scott may have a question for you.

11 COMMISSIONER SCOTT: Thank you. Thank  
12 you for coming. So, to the extent, if you will, that we  
13 need to balance the amount of funds that go into  
14 commercial and residential, so, just to talk about  
15 residential for the moment. And, having said that, I  
16 heard you on the commercial side. So, thank you.

17 Where is the best bang for the buck, as  
18 far as installations, in your opinion? Meaning, assuming  
19 there's limited funding, or less funding, let's say, with  
20 a certain rebate level, the rebate level where it is now  
21 will have X amount of installations for residential side.  
22 The other balance, at least in my mind, is if we lower the  
23 rebate amount for residential, to the extent we're putting  
24 money in residential, are we going to get more

1 installations or less installations? So, that, to me, is  
2 where the crux of this is.

3 MR. SHIFFLETT: Yes. There may be fewer  
4 installations. When you have customers that are on the  
5 cusp, and looking at their timeframe to return on  
6 investment, that difference of \$1,350 is significant.  
7 And, especially when it comes to an average, you know, 5  
8 to 7 to 8-kW size system, that's a larger percentage of  
9 the overall system cost.

10 Now, if we were talking to a homeowner  
11 that was going to install a 15-kW system, or geothermal, a  
12 difference of \$1,000, \$1,200 probably doesn't make a huge  
13 impact. But most systems are significantly smaller than  
14 that, and a difference of \$1,375 is significant. It would  
15 definitely make the difference on some -- for some  
16 consumers whether to go solar or not.

17 You know, the repurposing of the funds  
18 is, I think, you know, and it may be not on the table now,  
19 but something that hadn't been considered up to this  
20 point, you know, \$2,500 is certainly better than nothing.  
21 But the 3,750 is the sweet -- I think a perfect mixture, a  
22 balance between cost/benefit.

23 COMMISSIONER SCOTT: Thank you.

24 CHAIRMAN HONIGBERG: Commissioner

1 Bailey.

2 COMMISSIONER BAILEY: Can you tell me  
3 what the average cost of an 8-kilowatt system is?

4 MR. SHIFFLETT: Yes, I can. It's close  
5 to \$30,000. It depends on the difficulty of the  
6 installation, but an average 8-kW system would be about  
7 \$30,000, gross cost.

8 COMMISSIONER BAILEY: Thank you.

9 CHAIRMAN HONIGBERG: Mr. Gauntt, you  
10 were here as a "maybe". Do you want to add anything?

11 MR. GAUNTT: I'll pass. Thank you.

12 CHAIRMAN HONIGBERG: Mr. Ruderman, you  
13 have any comments you want to make? You're in the "maybe"  
14 category right now.

15 MR. RUDERMAN: Yes. Excuse me. I'm  
16 going to shift into the "yes" category, if that's all  
17 right with you?

18 CHAIRMAN HONIGBERG: All right. We'll  
19 give warning to Mr. MacMillan would be next.

20 So, go ahead, Mr. Ruderman.

21 MR. RUDERMAN: And, further warning, I'm  
22 going to be very brief.

23 (Court reporter interruption.)

24 MR. RUDERMAN: Sorry. Is that better?

1 MR. PATNAUDE: Yes.

2 MR. RUDERMAN: Okay. So, Jack Ruderman.  
3 I'm with Revision Energy, with offices in Concord and  
4 Exeter, and two offices in Maine as well. We work in the  
5 residential sector, we also work in the commercial sector.

6 Our perspective on the proposed  
7 reduction is that it may be somewhat painful, but it is  
8 necessary. And, I think it's in keeping with the  
9 philosophy of renewable energy rebate programs, and the  
10 whole goal of market transformation. That, when you start  
11 a rebate program, there's an expectation that over time,  
12 as demand for the product increases and prices are driven  
13 downwards, that the rebate amount will be ratcheted down.  
14 So, that's sort of the classic model of market  
15 transformation.

16 And, so, when this Program started, the  
17 maximum rebate was 6,000. And, then, at some point, it  
18 was reduced, and then it reduced again to the current  
19 level of \$3,750. So, you know, we do think the market is  
20 changing, and we do think we can still do business at the  
21 reduced level that's proposed by Staff. You know, is it  
22 something that we're happy about or makes our life easier?  
23 Certainly not. But we are very mindful that there are  
24 limited funds now in this current fiscal year, and that

1 may be the case going forward in the next fiscal year as  
2 well. And, we would rather see these funds carefully  
3 allocated over, you know, the entire 12-month funding  
4 cycle, rather than having the Commission run out of funds  
5 midstream.

6 So, in our view, given changing market  
7 conditions, and the financial pressure on the Renewable  
8 Energy Fund, we think this is sensible and reasonable.  
9 Thank you.

10 CHAIRMAN HONIGBERG: Commissioner Scott.

11 COMMISSIONER SCOTT: Thank you,  
12 Mr. Ruderman. I guess I'll ask you a similar question  
13 that I just asked of GSS, is you mentioned kind of the  
14 continuity of not running out of funds, which I assume  
15 has, for your interest, has a little bit of business  
16 certainty implications. Do you think the suggestion from  
17 Staff to lowering to \$2,500 would result in more or less  
18 installations at the end of the day?

19 MR. RUDERMAN: I'm not sure. That's  
20 really uncharted territory. I think, in the past, we've  
21 been able to adjust when the rebate has been reduced.  
22 And, I think, you know, Mr. Osgood could tell you that  
23 demand for the Residential Rebate Program seems to have  
24 been pretty steady for the last few years, and

1 accelerating in the most recent 12 months.

2 If I had to guess, I would say we might  
3 see a small decline in the number of systems installed.  
4 Certainly, we're not going to see an increase. So, I  
5 would hope that we would sort of, as an industry, stay  
6 where we are, or we might see a small decline in the  
7 number of installations. But, hopefully, nothing  
8 precipitous.

9 COMMISSIONER SCOTT: Good. So, one of  
10 my concerns, in pursuing the Staff recommendation, is if  
11 the -- in the context of smaller budget, with a higher  
12 rebate, again, I'm talking about the balance, and my  
13 concern was is there would be less people to be able to  
14 served by that smaller rebate, meaning less installations  
15 ultimately. Or, if you lowered the rebate amount, to the  
16 extent you still have takers, you could get more  
17 installations for the same amount of money. So, are you  
18 suggesting that may not be the case?

19 MR. RUDERMAN: I'm suggesting I don't  
20 know. Honestly, I would be guessing, if I gave you any  
21 sort of definitive answer on that.

22 COMMISSIONER SCOTT: Thank you.

23 CHAIRMAN HONIGBERG: Our last "maybe"  
24 was Rick MacMillan. Mr. MacMillan, do you want to say

1 anything?

2 MR. MacMILLAN: Is this the --

3 CHAIRMAN HONIGBERG: If the red light is  
4 on, then it's good.

5 MR. MacMILLAN: It's on. Okay. The  
6 only thought listening to the conversations in here and  
7 the thought that I brought with me has to do with the fact  
8 that the biggest change I see here has more affect, as  
9 stated earlier, on the lower income people, residential  
10 side, who count more on, you know, the 3,750, versus  
11 \$2,500 thing, isn't huge to some of these people that are  
12 installing a, you know, a \$40,000 system type scenario.  
13 But the people that typically are lower income, that would  
14 like to get into solar, get cut out of this fairly  
15 readily, and I think that any change would have more an  
16 effect on them.

17 So, I just, like Jack said, I don't have  
18 all of the answers, I'm just feeding some more input for  
19 you to help make decisions. And, yes, I will have less  
20 systems taken out by that clientele than I would if we  
21 left it where it's at.

22 But, as Jack said, running out of funds  
23 is not a good option either. So...

24 CHAIRMAN HONIGBERG: Commissioner Scott.

1 COMMISSIONER SCOTT: Two questions. Who  
2 are you with?

3 MR. MacMILLAN: Applied Solar.

4 COMMISSIONER SCOTT: Thank you. And,  
5 can you -- and, thanks for your comments. Can you give me  
6 an idea of what, this is very rough, I don't need an exact  
7 figure, but what percentage of your clientele are in this  
8 low income range?

9 MR. MacMILLAN: Jeez. I would say,  
10 probably 30 percent. You know, it's that thing, I get  
11 calls where people are very interested. And, I can show  
12 up at the house and have an idea that they're either  
13 living very frugally or they are living, you know,  
14 paycheck-to-paycheck. But they have an interest in doing  
15 this. They know it's the right thing. They would love an  
16 opportunity to save money, which is what this does long  
17 term.

18 But, as stated earlier, it's upfront  
19 money. And, that's -- this helps take the edge off of  
20 that. So...

21 COMMISSIONER SCOTT: Sure. Thank you.

22 CHAIRMAN HONIGBERG: Is there anyone  
23 else here who wishes to speak?

24 (No verbal response)



1                   CHAIRMAN HONIGBERG: Is there anyone who  
2 already spoke who has anything they would like to add?

3                   Mr. Ruderman.

4                   MR. RUDERMAN: I've given a little more  
5 thought to Commissioner Scott's question. And, I guess I  
6 would say, although I don't have any, you know, empirical  
7 evidence, all things being equal, I think, if the rebate  
8 amount is lowered, it is more likely that you will see  
9 more people be able to benefit from the Rebate Program  
10 than you would if you left it at the current level and at  
11 some point hit that point where you might run out of  
12 funds.

13                   So, again, it's not a scientific answer.  
14 But, you know, my gut sort of says to me, "if there's",  
15 you know, "if you reduce the level, you can spread the  
16 funds around more so than you can with a higher rebate  
17 level." And, I think demand is strong enough that we  
18 won't see such a sharp dropoff as a result of the rebate  
19 being reduced. So that, you know, the net effect I think  
20 will be more people served at a lower incentive level.  
21 Thank you.

22                   COMMISSIONER SCOTT: Thank you.

23                   CHAIRMAN HONIGBERG: Is there anyone  
24 else who would like to add anything?

1 (No verbal response)

2 CHAIRMAN HONIGBERG: I will remind  
3 everyone that, under the Order of Notice, written comments  
4 can be filed by September 9th. So, if you have an  
5 inspiration after today, you can submit it in writing by  
6 September 9th.

7 Mr. Wiesner.

8 MR. WIESNER: I just wanted to highlight  
9 for the Commissioners, and this is somewhat embarrassing,  
10 but the Order of Notice, unfortunately, it inadvertently  
11 contains two different dates for the deadline for the  
12 submission of written comments.

13 CHAIRMAN HONIGBERG: I picked out one.  
14 What's the other one?

15 MR. WIESNER: Yes. Well, I found this  
16 last night, when I was reviewing it. The ordering  
17 paragraph says "September 9th". On the first page, at the  
18 bottom, it refers to "September 11th".

19 CHAIRMAN HONIGBERG: Then, we're going  
20 to make it September 11th.

21 MR. WIESNER: That was going to be my  
22 recommendation, and we should give people the extra two  
23 days, until that Friday.

24 CHAIRMAN HONIGBERG: All right.

1 Everybody clear on that? Written comments by September  
2 11th, which is a Friday, if I'm not mistaken.

3 So, if there's nothing else we need to  
4 do?

5 (No verbal response)

6 CHAIRMAN HONIGBERG: We will adjourn.  
7 And, thank you all for your thoughts.

8 **(Whereupon the hearing was adjourned at**  
9 **10:31 a.m.)**

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