

THE STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

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October 12, 2015

James T. Rodier, Esq.
1465 Woodbury Avenue, No. 303
Portsmouth, NH 03801-5918

Re: DE 15-372, Steel's Pond Hydro, Inc.
Complaint against Eversource Energy

Dear Mr. Rodier:

On September 9, 2015, the Commission received a complaint filed on behalf of Steel's Pond Hydro, Inc. (SPH), against Eversource Energy (Eversource) regarding payment of ISO New England (ISO) forward capacity market (FCM) auction payments as lead participant for SPH, which is a group net metering customer of Eversource. The complaint requested that the Commission order Eversource to pass through to SPH certain FCM auction payment revenues it has received and retained, and also that the Commission "[p]ermit [SPH] to enter into an agreement with a different "lead participant" who will pass the FCM payments on to [SPH] as permitted under the ISO rules."

The Commission treated the matter as a complaint pursuant to RSA 365:1 and :2, and N.H. Code Admin. Rules Puc 204, and required Eversource to respond on or before September 28, 2015. Eversource responded by letter filed on September 18, 2015, asserting that, on procedural grounds, the complaint should be dismissed; and the matter addressed through a petition for declaratory ruling or a generic docket, to the extent the Commission determined there were relevant issues to be addressed. Eversource's response also questioned whether the Commission has jurisdiction over the "administration of funds from the FCM."

Addressing the merits of SPH's complaint, Eversource maintained that the net metering statute, RSA 362-A:9, and the Commission's Puc 900 rules require that the interconnecting utility compensate the group net metering host customer-generator at the utility's default service rate, which includes charges based on both electric energy and capacity. According to Eversource, given that capacity costs are included in the default service rate calculation, by being compensated for its excess generation at this rate, a group host such as SPH is already being paid for capacity and has demonstrated no reason why it should be compensated for capacity again through the FCM.

By letter filed on September 25, 2015, you informed the Commission that SPH was not satisfied with Eversource's response. Your letter further stated that, if SPH were to become its own lead

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market participant in ISO markets and no longer use Eversource as its lead participant, “Eversource would be bypassed and would be unable to divert the FCM funds . . . [t]he FCM funds would then clearly be the property of SPH . . . [and the] use of Eversource as an intermediary at ISO-NE does not change this fact.”

In accordance with Puc 204.04(b), the Commission has determined that there is no basis for SPH’s dispute with Eversource. Although Eversource raised a jurisdictional question regarding its administration of FCM auction revenue payments as ISO lead market participant for SPH, the Commission found it unnecessary to address jurisdiction in view of its determination regarding the substantive issue raised in SPH’s complaint.

The Commission concluded that, under RSA 362-A:9 and the Puc 900 rules, a group net metering host customer-generator receiving credits and/or payments at the interconnecting utility’s default service rate, which includes charges based on both electric energy and capacity, may not also accept FCM auction revenue payments based on the capacity value of its generation facility. Acceptance of such payments effectively would result in double-counting of capacity and over-compensation to the customer-generator.

Because the Commission determined that there is no basis for SPH’s dispute with Eversource, the Commission declined to conduct an independent investigation or to commence an adjudicative proceeding. The Commission considers your complaint to be resolved.

Sincerely,



Debra A. Howland
Executive Director

cc: Eversource Energy
Service List

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 15-372-1 Printed: October 12, 2015

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.