

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 22-060

ELECTRIC DISTRIBUTION UTILITIES

**Consideration of Changes to the Current Net Metering Tariff Structure,
Including Compensation of Customer-Generators**

**COMMENCEMENT OF ADJUDICATIVE PROCEEDING
AND NOTICE OF PREHEARING CONFERENCE**

As a result of legislation enacted in New Hampshire during the 2022 legislative session, including SB 261-FN and HB 1599-FN, as well as the anticipated receipt of the Value of Distributed Energy Resources (VDER) Study in October 2022, the Commission has determined that it should consider amendments to the net metering tariffs applicable to customer-generators. This order of notice and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-061.html>.

I. BACKGROUND AND PROCEDURAL HISTORY

In 2017, the Commission approved net metering tariffs for large and small customer-generators and established a stakeholder process to develop additional data for the Commission's use in determining whether there should be changes to the net metering tariff structure in the future. Order No. 26,029 (June 23, 2017). The Commission approved the scope and performance of a Locational Value of Distributed Generation (LVDG) Study in Order No. 26,221 (February 20, 2019), *clarified by*, Order No. 26,227 (March 20, 2019). The results of the LVDG Study were to be incorporated into the VDER Study. The Commission approved the scope, timeline, and performance of the VDER Study in Order No. 26,316 (December 18, 2019).

On August 21, 2020, the Commission Staff (now Staff of the New Hampshire Department of Energy (DOE)) filed the LVDG Study in Docket No. DE 16-576. The DOE advised the Commission by letter dated August 5, 2022, filed in Docket No. DE 16-576, that it anticipated the VDER Study would be completed in September. On September 15, 2022, the DOE filed a letter stating that, following a rescheduled stakeholder session, the VDER Study would be filed with the Commission in mid- to late-October 2022.

As the Commission stated in Order No. 26,029:

While the new net metering tariff is in effect, additional system and customer data will be collected, disseminated, and analyzed (subject to appropriate privacy protections); relevant pilot programs will be developed and proposed for implementation; and a value of DER study will be designed and completed. The data, information, and study conclusions resulting from those initiatives ultimately will inform the development of the next version of net metering or another alternative regulatory mechanism. Following completion of the value of DER study, and with the availability of the additional customer load and system planning and operations data, the Commission will open a new proceeding to determine whether and when further changes should be made to the net metering tariff structure.

Id. at 72-73.

Five years have passed since the net metering tariffs were implemented in New Hampshire. During that time, there have been changes in the electricity market, further distributed generation deployment, and construction of additional utility distribution infrastructure. Further, the Commission anticipated the need to re-examine the net metering tariffs once the VDER Study was completed.

HB 1599-FN requires the Commission to consider changes to the net metering tariff structure applicable to newly constructed customer-generators owning distributed generation resources with greater than one megawatt capacity. SB 261-FN provides for changes to payment for excess generation produced by customer-generators. These bills, which amend RSA 362-A:9 effective August 30, 2022 and

August 6, 2022, respectively, require the Commission to re-examine the current net metering tariffs and, accordingly, the Commission opens this docket.

The Commission shall take administrative notice of the LVDG Study filed in Docket No. DE 16-576 on August 21, 2020, pursuant to New Hampshire Code of Administrative Rules, Puc 203.27. Any party objecting to administrative notice of the LVDG Study may do so pursuant to Puc 203.27(c) by filing a written objection on or before the prehearing conference scheduled in this docket. Parties to Docket No. DE 16-576 are instructed to file the VDER Study, and any comments related to that study, in this docket. Any further filings related to net metering tariffs shall be filed in this docket, and Docket No. DE 16-576 shall be closed.

II. ISSUES PRESENTED

The issues presented in this docket, consistent with RSA 362-A:9, as amended, include, *inter alia*: whether the Commission should implement new alternative net metering tariffs, which may include other regulatory mechanisms and tariffs for customer-generators, and whether and to what extent such tariffs should be limited in their availability within each electric distribution utility's service territory. In developing such alternative tariffs and any limitations in their availability, the Commission shall consider: balancing the interests of customer-generators with those of electric utility ratepayers by maximizing any net benefits while minimizing any negative cost shifts from customer-generators to other customers and from other customers to customer-generators; the costs and benefits of customer-generator facilities; an avoidance of unjust and unreasonable cost shifting; rate effects on all customers; alternative rate structures, including time-based tariffs; whether there should be a limitation on the amount of generating capacity eligible for such tariffs; the size of facilities eligible to receive net metering tariffs; timely recovery of lost

revenue by the utility using an automatic rate adjustment mechanism; and electric distribution utilities' administrative processes required to implement such tariffs and related regulatory mechanisms.

Additional issues include: whether new net metering tariffs should be adopted that apply to newly constructed customer-generators with a total peak generating capacity of greater than one megawatt; what changes, if any, should be made to the net metering tariff structure approved in Order No. 26,029 (June 23, 2017); whether the cost of compliance with the electric renewable portfolio standard in RSA chapter 362-F, inclusive of prior period reconciliations, should be excluded from the monetary credit for exports to the grid; whether the monetary credit should include compensation for services and value currently not compensated, such as avoided transmission, distribution, and capacity costs, and other grid services; and what conditions should apply to a customer-generator's election of compensation under RSA 362-A:9, V(b). The Commission has determined that it is appropriate to commence an adjudicative process to address these issues.

The Commission will be conducting the prehearing conference and any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for why that individual would be unable to attend in person. Any party requesting that a specific individual be permitted to participate remotely should file a written request with the Commission's Clerk's Office no later than fifteen (15) days prior to the prehearing conference or hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's

hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA chapter 541-A, RSA 362-A:9, as amended, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the three regulated investor-owned electric distribution utilities operating in New Hampshire, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource), Unitil Energy Systems, Inc. (UES), and Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty), shall be mandatory parties to this proceeding; and it is

FURTHER ORDERED, that the Commission will hold a prehearing conference, pursuant to N.H. Admin. R., Puc 203.15, at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on January 5, 2022, at 1:30 p.m., at which each party should be prepared to address any of the issues set forth in N.H. Admin. R., Puc 203.15; and it is

FURTHER ORDERED, that during the prehearing conference, the Commission will consider the matters listed in Puc 203.15(c) and (d), including the establishment of a procedural schedule governing the remainder of the proceeding. Parties and potential parties are encouraged to facilitate the development of a procedural schedule by conferring prior to the prehearing conference, so that the presiding officer can address any matters on which there is disagreement during the prehearing conference. Any procedural schedule, however, will not be approved until after the prehearing conference and after consulting the Commission's calendar; and it is

FURTHER ORDERED, that, immediately following the prehearing conference, Eversource, UES, and Liberty shall make appropriate personnel available for the parties to hold a technical session to discuss an appropriate stakeholder process; and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is,

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Eversource, UES, Liberty and any other parties on the service list, on or before December 7, 2022. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before December 17, 2022; and it is


FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

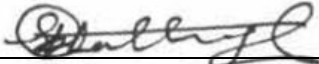
FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Eversource, UES, and Liberty shall each notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on their websites no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before November 9, 2022. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue and shall send a copy of this order of notice to Chairman Michael Vose of the New Hampshire House Science, Technology and Energy Committee and to Chairman Kevin Avard of the New Hampshire Senate Energy and Natural Resources Committee; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

So ordered, this twentieth day of September, 2022.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

Service List - Docket Related

Docket# : 22-060

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