

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

IR 22-053

ELECTRIC AND GAS UTILITIES

**Investigation of Energy Commodity Procurement
(Renewable Portfolio Standard; Default Service Electric Power; Cost of Gas)
Methodology and Process**

Order Addressing Participant Comments and Closing Docket

ORDER NO. 26,826

May 24, 2023

In this order, the Commission addresses certain participant comments regarding this investigative proceeding and closes this docket pending future developments with an upcoming Department of Energy investigation regarding these matters.

I. BACKGROUND

On April 24, 2023, Chairman Daniel Goldner issued a procedural order requesting that the staff of the Commission produce a report summarizing the input of the participants in this investigation for the Commission's consideration. Staff of the Commission filed this report (Staff Report) on May 8, 2023 as ordered. As indicated in the April 24 procedural order, the Staff Report provided an invitation for participants and other interested persons to file responsive comments with the Commission by May 18, 2023.

On May 18, 2023, three investigation participants, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource), the New Hampshire Department of Energy (DOE), and Unitil Energy Systems, Inc. with Northern Utilities, Inc. (Unitil) each filed timely comments regarding the Staff Report. No other responses to the Staff Report were filed.

Materials related to this investigation, other than any information for which confidential treatment is requested of or granted by the Commission, are posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-053.html>

II. PARTICIPANT COMMENTS

A. Eversource

Eversource indicated in its comments that it greatly appreciated the efforts of the Commission's Senior Advisors in preparing the Staff Report. Eversource also stated that it did not identify any statements in the Staff Report's summary of Eversource's positions elucidated during the investigation as requiring correction. (Eversource did point to a likely cross-reference error in the narrative description of Unitil's electric load on Page 10 of the Staff Report, discussed below). Eversource reiterated its positions regarding default energy service and renewable energy certificate (REC) procurement, namely: that adjustments to procurement practices could provide some mitigation of price volatility, but, in Eversource's view, the effects of such measures would be limited and may result in unintended consequences; that Eversource does not support a regional default service process; that Eversource supported a more-abbreviated RFP review period by the Commission; and that Eversource continued to support a shifting of REC procurement obligations to the wholesale electricity suppliers.

B. DOE

The DOE, in its responsive comments, announced the opening of its own investigation (DOE Investigation), to address several technical issues raised by this Commission investigation and summarized by the Staff Report. The DOE states that it intends to retain the services of an outside expert to review the Staff Report and

“produce a report which will address the issues identified above as well as other relevant and related topics,” with a timing goal for issuance of December 1, 2023, “in order to inform policy makers on issues related to energy service procurement under the current paradigm of electric utility restructuring.” DOE Comments of May 18, 2023 at Page 2. The DOE also expressed its appreciation for the Commission’s embarking on this investigation, and the production of the Staff Report. The DOE also provided a technical clarification of its timing of REC compliance review within its comments. This clarification, and the list of expected issues considered in the upcoming DOE Investigation, may be seen here:

https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-053/LETTERS-MEMOS-TARIFFS/22-053_2023-05-18_NHDOE_RESPONSE-REGARDING-COMMISSION-STAFF-REPORT.PDF

C. Unitil

Unitil, in its joint electric-gas affiliate utility comments made on May 18, stated that “Unitil reiterates and incorporates by reference all comments that it has submitted in this docket.” Unitil also pointed out what it believed to be two errors in the quantitative data presented by the Staff Report; (1) the percentage of Renewable Portfolio Standards (RPS) obligations met through Alternative Compliance Payments (ACP) referenced on Pages 8 and 9 of the Staff Report not being reflected in Table 5 of same; and (2) the load reference figure applied to Unitil Electric on Page 10 of the Staff Report was not accurate as to Unitil, but rather, accurate as to Eversource.

III. COMMISSION ACTION

As an initial matter, having reviewed the Staff Report and the comments by Eversource and Unitil, we have confirmed that the narrative discussion on Page 10 of the Staff Report for Unitil’s load should read, “Load served ranged from roughly 222

million kWhs to 253 million kWhs at different times between 2018 and 2022.”

Regarding the RPS/ACP Table issue, we note that the Staff Report did make certain editorial choices regarding what data to present in its summary tables, as indicated in the Executive Summary of the Staff Report (Page 1). Interested persons may view the RPS/ACP data referenced by Unitil in its February 17 response attachments here:


https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-053/LETTERS-MEMOS-TARIFFS/22-053_2023-02-17_NORTHERN_UES_ATT-RESPONSE-2-8-23-PROC-ORDER.PDF

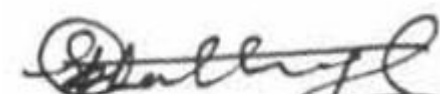
Regarding the Staff Report, and the stakeholder engagement process by the investigation participants that led to its issuance, we wish to extend our appreciation for this effort, which has led a better understanding of the current procurement processes and potential improvement approaches. This transparency will allow the Commission to apply lessons learned in the Commission’s adjudicative setting. We also appreciate the DOE, as the energy policy arm of the State, offering its effort and input to add to the Commission’s work and providing recommendations to policy makers by December 1, 2023, at the conclusion of the DOE Investigation. Therefore, we view the work of this investigation to be concluded, and we will close this docket forthwith.

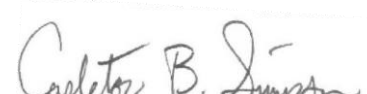
Based upon the foregoing, it is hereby

ORDERED, that this investigative docket is now CLOSED.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of May, 2023.


Daniel C. Goldner
Chairman


Pradip K. Chattopadhyay
Commissioner


Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 22-053

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