

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

Electric Distribution Utilities

Docket No. DE 22-060

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

SETTLEMENT AGREEMENT ON NET METERING TARIFF

This settlement agreement is entered into by and among Public Service Company of New Hampshire d/b/a Eversource Energy ; Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty; Unitil Energy Systems, Inc. (together the “Electric Utilities”); the Office of the Consumer Advocate (“OCA”); Clean Energy New Hampshire (“CENH”); Conservation Law Foundation (“CLF”); Granite State Hydropower Association; Standard Power of America; and Walmart Inc. (collectively, the “Settling Parties”). This settlement agreement resolves all issues among the Settling Parties and the Settling Parties unanimously recommend the following: 1) that the net metering tariff structure currently in place shall stay in effect following approval of this settlement agreement by the Commission (“NEM 2.1”); 2) following approval of this settlement agreement by the Commission, any project newly enrolled in net metering (“NEM”) while NEM 2.1 is in effect shall have the option to lock into NEM 2.1 for a 20-year term from the time of enrolling in net metering (“Legacy Period”); 3) implementation of reasonable distributed generation (“DG”) application fees; 4) that the Electric Utilities shall, two years from approval of this settlement agreement, file an NEM time-of-use (“TOU”) rate with the Commission, along with a petition to open a new docket for consideration of the same; 5) that upon approval of this settlement agreement, the Electric Utilities will undertake a data collection effort to support development of the NEM TOU rate proposal prior to the Electric Utilities’ filing their NEM TOU rate proposal

with the Commission. The scope and parameters of the data collection effort referred to in item 5), above, will be subject to a stakeholder process comprised of the Settling Parties and the Department of Energy (“Department” or “DOE”), that will commence following approval of this settlement agreement by the Commission. In support of this settlement agreement, the Settling Parties offer the following for the Commission’s consideration.

II. SETTLEMENT TERMS

The Settling Parties agree that this Agreement, as described below, should be approved by the Commission as written. The terms of this Agreement constitute an interdependent, comprehensively negotiated whole, and each Settling Party’s agreement to each individual term is dependent upon agreement with all terms.

A. Net Metering Tariff and Future Utility NEM Time of Use Rate Design

1. Consistent with RSA 362-A:9 and the New Hampshire 10-Year State Energy Strategy, the Settling Parties agree that NEM 2.1, shall remain at currently tariffed levels for both small and large DG projects following Commission approval of this Settlement Agreement. The Settling Parties further agree that the basis for maintaining the status quo is that the currently effective net metering tariffs have not resulted in any demonstrable unjust or unreasonable cost shifts from one class of customers to another, which is echoed by the conclusions of the DOE VDER study filed to this docket. See Attachment A for further information supporting this position.

2. The Electric Utilities shall continue to apply the large customer tariff terms to projects from 1 to 5 MW as approved in Order No. 26,029, as projects of this size are limited to municipal hosts and there is no evidence of unjust or unreasonable cost for such projects.

The Settling Parties agree that alternative net metering tariffs should not be considered at this time, as any such tariff would likely be less efficient because it would incur additional costs to implement, and, could also incur incremental, ongoing maintenance and administration costs, depending on the nature and complexity of the changes made and the relative benefits to many customers in relation to the costs incurred by all customers.

3. The Settling Parties agree that the Electric Utilities will develop a NEM TOU rate informed by the data collection effort and stakeholder process referenced below in section D, to be submitted two years from Commission approval of this settlement agreement. The Electric Utilities will petition and request for the Commission to open a new docket to adjudicate the Utilities' proposal.

B. Legacy Period

4. The Settling Parties agree that any NEM project that first commences receiving NEM compensation under the NEM 2.1 tariff will be eligible to continue to receive the NEM 2.1 tariff for 20 years from the year in which it first begins net metering (the "Legacy Period"). For a table demonstrating the necessity of the Legacy Period to sustain the solar NEM industry and projects, including NEM project payback periods, please see Attachment B to this settlement agreement.

5. After the expiration of the Legacy Period, the NEM project will default to the tariff currently in effect at that time. At any time during the Legacy Period, the project may elect to transfer to the tariff in effect at the time, but if it chooses to do so, the Legacy Period will terminate, and the project may not return to the NEM 2.1 tariff.

6. To administer the Legacy Period, the Electric Utilities shall do an annual review at the start of each calendar year to move any projects for which the Legacy Period has expired from NEM 2.1 to the net metering tariff in effect at that time.

7. When the Electric Utilities file the NEM TOU rate proposal for a new docket to be opened in two years from approval of this settlement agreement as described in Paragraph 3 above, the Legacy Period may be reexamined as appropriate. Any change to the Legacy Period will only apply on a prospective basis and will not affect NEM projects that began net metering under the NEM 2.1 tariff prior to such change.

C. Application Fees

8. In the interest of minimizing cost shifts due to net metering, the Settling Parties agree that it is appropriate to implement reasonable net metering application fees, so that those who benefit most directly benefit from net metering are bearing an appropriate share of the costs. The Settling Parties recommend the fee structure detailed in Attachment C to this settlement agreement, and summarized below.

9. The Electric Utilities shall collect the application fees and apply them to the eligible utility costs detailed in Attachment C. Should the fees collected exceed the qualifying costs, the Electric Utilities shall each use an existing annual reconciling mechanism to credit any excess fee revenue to all customers.

10. The Electric Utilities may petition the Commission to propose changes to the fee levels and structure to better address costs, as necessary.

11. The Settling Parties agree to the following fees based on project size:

- Up to and including 25 kW: \$200
- Greater than 25kW kW to 100 kW: \$500
- Greater than 100 kW: \$1,000

Further detail regarding the fee collection, application to costs, and crediting to customers can be found in Attachment C.

D. Data Collection Effort and Stakeholder Process

12. The Settling Parties agree that the Electric Utilities shall undertake an 18-month data collection effort that further elucidates the costs and benefits of NEM to residential customers. The Settling Parties shall, following approval of the settlement agreement by the Commission, confer and agree upon the data elements to be collected.

13. Any customer sensitive data will be collected only after explicit customer consent, which shall be acquired by the Electric Utilities using a consent agreement or by including in the data questionnaire a request for customer consent, examples of which are included as Attachment D.

14. The data collection effort and stakeholder process will conclude prior to the submittal of the petition and NEM TOU proposal of the Electric Utilities and will be used to inform such proposal.

III. GENERAL PROVISIONS

The Settling Parties agree that all testimony and supporting documentation may be admitted as exhibits for purposes of consideration of this settlement agreement. Assent to admit all direct testimony without challenge does not constitute agreement by the Settling Parties that the content of the written testimony is accurate nor is it indicative of what weight, if any, should be given to the views of any witness. Reflecting the intent of this settlement agreement, the Settling Parties agree to forego cross-examining witnesses of the Settling Parties regarding their pre-filed testimony, and therefore, the admission into evidence of any witness's testimony or supporting documentation shall not be deemed in any respect to constitute an admission by any party to this settlement agreement that any allegation or contention in this proceeding is true or false, except that the sworn testimony of any witness shall constitute an admission by such witness.

This settlement agreement is expressly conditioned upon the Commission's acceptance of all of its provisions without change or condition. All terms are interdependent, and each Settling Party's agreement to each individual term is dependent upon all Settling Parties' agreement with all terms. If such complete acceptance is not granted by the Commission, or if acceptance is conditioned in any way, each of the Settling Parties shall have the opportunity to amend or terminate this settlement agreement or to seek reconsideration of the Commission's decision or condition. If this settlement agreement is terminated, it shall be deemed to be withdrawn and shall be null and void and without effect and shall not constitute any part of the record in this proceeding nor be used for any other purpose. The Settling Parties recommend approval of this settlement agreement before the Commission. The Settling Parties also agree that they shall not oppose this settlement agreement before any regulatory agencies or courts before which this matter is brought, but shall take all such action as is necessary to secure approval and implementation of the provisions of this settlement agreement in the instant docket.

The Commission's acceptance of this settlement agreement does not constitute continuing approval of or precedent regarding any particular issue under this docket, but such acceptance does constitute a determination that this settlement agreement and each and all of its provisions are just and reasonable. All discussions leading to and resulting in this settlement agreement have been conducted with the understanding that all offers of settlement and discussion relating to these terms are and shall be protected and treated as confidential and privileged, and shall be so without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in any manner in connection with this proceeding, any further proceeding, or otherwise. Further, the settling parties agree that the settlement agreement and settlement discussions are not intended to prejudice, be used in any manner against, or bind

parties to any positions in subsequent dockets, except as related to enforcement of the terms of the settlement agreement. Finally, the Settling Parties reiterate that approval by the Commission and implementation of the terms of this settlement as proposed will result in rates that are just and reasonable.

This Agreement may be executed by facsimile or electronically and in multiple counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all of the Settling Parties.

IN WITNESS WHEREOF, the Settling Parties have caused this Agreement to be duly executed in their respective names by their authorized representatives, each being fully authorized to do so on behalf of the party represented.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/ A EVERSOURCE ENERGY

By:  _____ August 1, 2024
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LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. d/b/a LIBERTY

By:  _____ August 1, 2024
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UNITIL ENERGY SYSTEMS, INC.

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