

Community Power Coalition of New Hampshire (CPCNH) Responses

NHPUC Docket: DE 22-060

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

Public Service Company of New Hampshire d/b/a/ Eversource Energy (EE)
Set 1 Data Requests to CPCNH

Date Request Received: 2/6/24

Date of Response: 2/20/24

Request No. EE to CPCNH 1.2

Witness & Respondent: Clifton Below

REQUEST:

1.2. The cost used for RPS compliance in rebuttal testimony on Pages 4-6 is \$0.008/kWh. Does this figure include the annual RPS reconciliation factor that is applied to the RPS cost that is ultimately applied to the default service rate? Has the \$0.008/kWh also already deducted the credit calculated by the NH DOE for all unregistered Class I and II RECs?

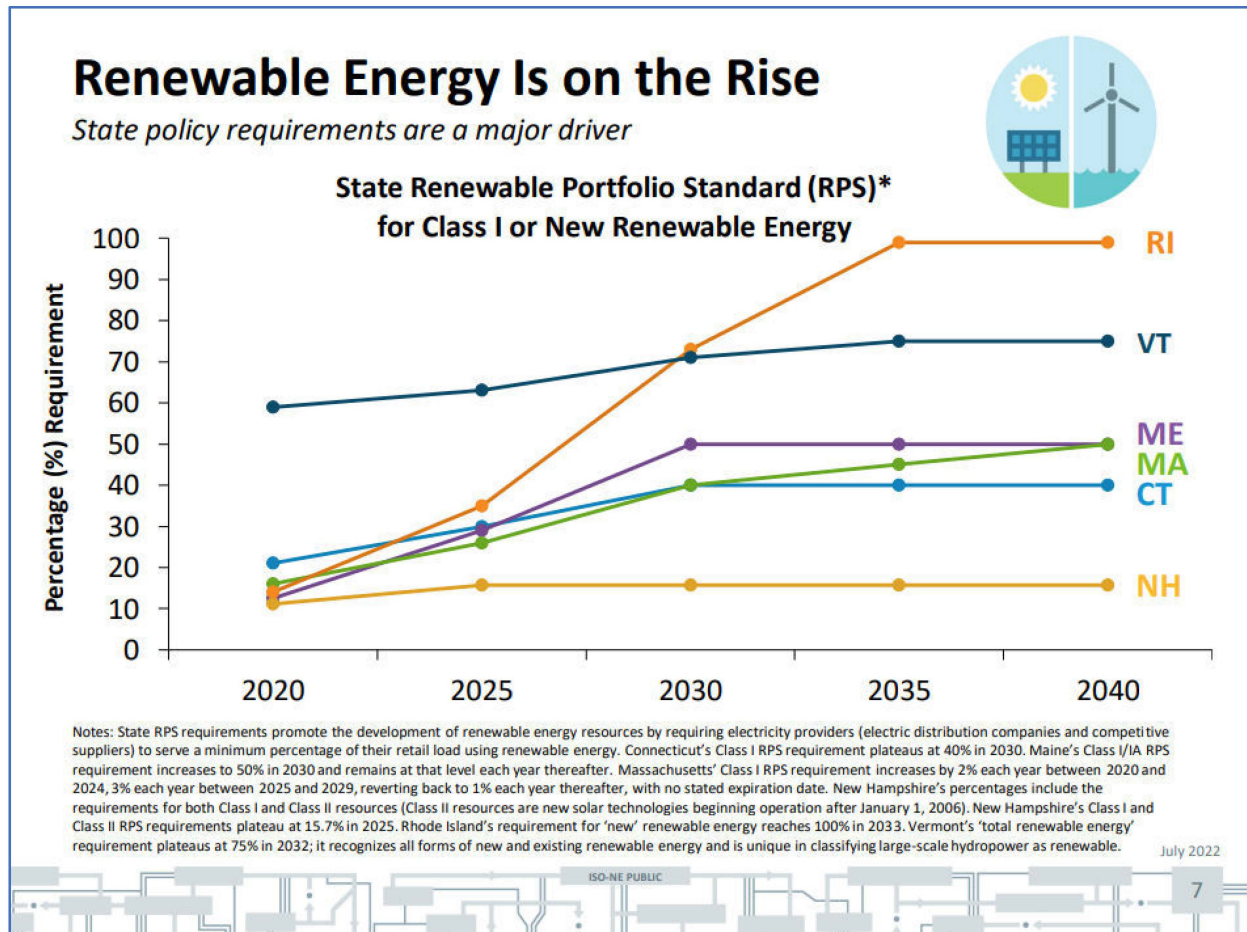
RESPONSE:

No, not specifically. The \$0.008 kWh figure is an estimate or approximation of the cost of RPS compliance at the full 23.4%, 24.3%, and 25.2% requirement in statute for 2023, 2024, 2025 and beyond. It does not expressly take into account the episodic annual reduction of the Class III requirement by up to 7.5%. However, the issue at hand is what will apply going forward for new net metered generation over the next approximately 20 years that the NEM 3.0 rate structure may be in effect with grandfathering that most of all parties seem to support and the statute and PUC have provided for with NEM 1.0 and 2.0 respectively. I believe it is much more likely than not that the arc of public policy in New Hampshire will trend to tightening and extending RPS requirements beyond 25% within the next decade and almost certainly within the next 20 years. After all, most of the nations of the world, at least 130 of them, agreed at COP 28 to commit to tripling renewable energy capacity by 2030. If we are at 25% today, as nominal NH RPS requirements would seem to suggest, then tripling by 2030 would suggest an RPS requirement of 75% by 2030. If we are only at 15% today because of Class III REC requirement reductions by NH DOE and unregistered Class I and II “RECs,” which may mostly offset load behind the meter, then tripling that would suggest an RPS compliance obligation at 45% by 2030.

To the extent the credit for unregistered Class I and II RECs is not reflected in the roughly \$0.008/kWh cost to achieve 23% to 24% compliance, I would note that there has been legislation in recent years to not allow such a credit (or “REC sweeping”), such as HB 168 in 2021 that had a 12-9 split vote between “Inexpedient to Legislate” and “Ought to Pass,” but never came to the floor for a vote because of the Covid-19 pandemic. A fairly modest political shift, which began in 2022, could reverse that result. The extent of the value of this credit may also be overtaken by 1) increasing RPS compliance obligations, and 2) either a reduction in the proportion of new generation that doesn’t produce RECs and much more new net metered generation larger than

100 kW that does, of which there is great deal in the interconnection queue of Eversource, and/or exclusion of behind-the-meter consumption from REC generation or inclusion of such consumption in the compliance obligations.

Here is a table illustrating the RPS requirements in New England¹:



In this context, it is also important to note that the CPCNH proposal is to reduce the compensation rate for the energy portion of exports to the grid by customer-generators on utility default service to the “Base Energy Service Rate” (adjusted for average line losses on the distribution grid between the location of NM exports to distribution grid and the load it offsets on the distribution grid), which, in addition to RPS compliance costs, includes an RPS reconciliation adjustment factor, an energy service reconciliation adjustment factor, an A&G adjustment factor, and a working capital adjustment factor. None of this factors relate to the actual value of the kWh exported to the grid by customer-generators, rather they relate to the consumption and administration of default service energy. The sum of all these factors in the current Eversource

¹ From presentation by ISO New England President and CEO Gordon van Welie, 8/21/23 to NEPPA Annual Meeting found here: [8-21-neppa-keynote-gvw-isone.pdf \(iso-ne.com\)](https://www.iso-ne.com/news-events/presentations/2023/08/21-2023-annual-meeting-keynote-gvw-isone.pdf).

large customer group (Rates LG and GV) is \$0.03675 or more than 4.5 times the \$0.008 amount assumed as undue costs shifting in my rebuttal testimony. Perhaps using this rate, an actual delta between NEM 2.0 and CPCNH's proposed NEM 3.0 rate, would be more appropriate for the illustration of potential excess undue compensation for a large customer-generators producing 7 million kWh/year that would total a cost of \$256,900 in undue cost shifting, not just \$56,000.

Finally, I would note that there is a very large number of potential new net metered generation resources in the Eversource interconnection queue with a reported 365 MW of new DG pending interconnection approval as of August 2023², compared with 25 MW installed in 2021, 32 MW installed in 2022, and another 26 MW installed during the first 8 months of 2023³.

² Eversource response to CENH 1-001 d, dated 10/12/23 in this docket.

³ Eversource response to CENH 1-001 c.