



CLEAN ENERGY NH
Your Voice in All Energy Matters

14 Dixon Ave, Suite 202 | Concord, NH 03301 | 603.226.4732

May 13, 2022

Jared Chicoine, Commissioner
New Hampshire Department of Energy
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: Solicitation of Written Public Comments in regards to the Legislative Report on Costs and Benefits of LMI Adder

Dear Commissioner Chicoine,

This letter is in response to the opportunity for written public comments regarding the legislative report on costs and benefits of the low and moderate income (LMI) adder established by Senate Bill (SB) 165 in 2019. Clean Energy NH (CENH) is pleased to submit the following comments and looks forward to further dialogue and progress supporting opportunities for LMI community solar.

In providing comments regarding the LMI adder, it is necessary to recognize that LMI individuals and households stand to benefit substantially from the cost-savings opportunities that net metered solar provides through on-bill crediting. According to the U.S. Department of Energy:

“Low-income households face a disproportionately higher energy burden.... the national average energy burden for low-income households is 8.6%, three times higher than for non-low-income households which is estimated at 3%. In some areas, depending on location and income, energy burden can be as high as 30%.”¹

CENH seeks to provide comments that will assist the New Hampshire Department of Energy (the Department) in removing any possible administrative barriers to LMI community solar and enabling solar developers to kick start LMI community solar market development in the most cost-effective and efficient manner possible. As many LMI customers are currently struggling

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<https://www.energy.gov/eere/slsc/low-income-community-energy-solutions#:~:text=Energy%20burden%20is%20defined%20as,which%20is%20estimated%20at%203%25.>



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with the unprecedented increases in the cost of energy, the Department should move quickly to identify and remove any barriers to accessing the cost-saving benefits of LMI community solar. In support of that effort, CENH provides the following information:

Eversource Request for Information (RFI)

In July of 2021, Eversource conducted a low-income community solar RFI. In Eversource's summary of responses, it indicated that income verification, regulatory reporting, costs and project limitations, and the degree of collaboration required were barriers to successful implementation of LMI community solar. The RFI informed [a technical statement](#) submitted to the Public Utilities Commission (PUC) in docket number DE 16-576.

According to Eversource, respondents reported that conducting income verification for group members was a barrier to development of LMI community solar projects. In response to this challenge, CENH worked with Senator David Watters in 2022 to submit SB270, relative to establishing a low-moderate income community solar program. SB270 would require the Department to develop a process by which community solar developers can apply for designation as a community solar project. Then, the electric distribution utilities would be required to establish a list of potential low-moderate income residential customers who qualify to benefit from the LMI community solar project. This list would consist of residents who have enrolled in or are on the waitlist for the state Electric Assistance Program (EAP). This process would ensure that the recipients of the benefits of net-metered community solar are the most in need of bill relief. The Department, in consultation with the utilities, is ideally positioned to determine the best method in which to remove administrative barriers to LMI community solar projects. SB270 passed both the NH House and Senate and awaits the Governor's signature. CENH encourages the Department to work collaboratively with the necessary stakeholders to implement SB270 if it should become law.

The Eversource RFI also identified regulatory reporting requirements, costs and project limitations, and the significant amount of collaboration required as barriers to developing LMI community solar projects. CENH encourages the Department to consider:

- Reducing regulatory reporting requirements for LMI community solar group hosts as it develops the new income verification process and to streamline and simplify the process for providing annual group load data.
- Supporting policies, specifically maintaining or increasing the LMI adder, that would remove economic barriers to developing LMI community solar. Current project caps,



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declining compensation, and high costs associated with interconnection act as the most significant barriers to LMI community solar. Maintaining or increasing the adder will be a small, but helpful, boost to project economics.

- To encourage the LMI community solar market, the Department should consider convening and organizing stakeholders to enable more efficient and effective collaboration across market sectors (developers, hosts/members, utilities, etc.).

Failure of LMI Solar Grant RFPs

It is valuable to observe that historically the department has argued against the creation of new LMI solar pilot programs, even though doing so was required under SB165 as passed in 2019.² This reticence from the department is based on “the potential for duplicative programs,” since the existing LMI solar grant program, funded by 15 percent of the state’s Renewable Energy Fund (REF) “has proven successful in enabling eligible LMI solar project development.” However, there have now been two failed requests for proposals (RFPs) for the LMI solar grants program, which have not resulted in any proposals that the DOE deemed eligible for REF funding.

CENH is aware of at least two housing authorities that have submitted proposals to the Department in response to the RFPs for LMI community solar. We are also aware that these RFPs have been denied and that the RFPs have been closed due to a lack of other applicants. CENH is concerned that the Department has adopted a narrow definition of possible benefits eligible recipients can receive and has denied housing authority residents the opportunity to benefit from the reduced cost of LMI community solar. While housing authorities pay utility bills centrally for their clients, housing authorities could still deliver tangible benefits from LMI community solar to the same clients in the form of decreased rent payments. According to the U.S. Department of Energy Issue Brief: Reducing Energy Burden for Low Income Residents in Multifamily Housing with Solar Energy, The Housing Authority of the City and County of Denver (DHA) Community Solar Garden was able to capture savings and “...provide about 700 homes with enhanced services, improved facilities, and sustainable operations aligned with each property’s mission to support affordable housing.”³

²

https://www.puc.nh.gov/regulatory/Docketbk/2016/16-576/MOTIONS-OBJECTIONS/16-576_2021.09.21_NHDOE_MOTION-SUSPEND.PDF

³https://www.energy.gov/sites/prod/files/2019/02/f60/Issue_Brief_Low-income-multi-family-solar_final_02.26.19.pdf



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The Department's current position appears to deviate from practices previously used in the LMI solar RFP approval process with the PUC. The 2020 LMI Community Solar Projects Cost and Benefits Report states that, "In calendar year 2019, after accounting for ongoing expenses, each participating household received direct benefits ranging from \$20 to \$53 per month; between \$240 and \$645 per year. Direct benefits were provided in the form of lot rent reductions, electric bill credits, and **the inclusion of electricity in rent.**"⁴ It is reasonable to assume that a landlord paying for electricity via its inclusion in rent is similar and comparable to housing authorities paying their client's monthly electricity bills. CENH suggests that the Department should seek and report on any necessary changes in qualification criteria to allow housing authorities to further benefit their clients through LMI community solar.

It is clear that the state's LMI solar policies are currently not functioning as the legislature intended. In brief, we recommend that:

- The Department should move proactively and collaboratively with the utilities to implement the "opt-out" solar program envisioned in SB270, should it become law.
- The Department should change its practices to ensure that the REF is being spent as required by the law, and bring its requirements in line with the administrative rules regarding expenditure of LMI REF monies.

CENH appreciates the opportunity to provide comments regarding the legislative report on costs and benefits of the LMI adder established by SB165 in 2019. CENH urges the Department to communicate the cost-saving benefits of the LMI adder to income qualified individuals and households, the challenges associated with developing a market for LMI community solar projects, support for allowing housing authorities to pursue LMI solar, and support for adjusting the LMI adder upward in its report to the legislature.

Sincerely,

⁴<https://www.puc.nh.gov/Home/Commission-Reports/20200601-LMI-Costs-And-Benefits-Legislative-Report.pdf>



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