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New Hampshire Department of Energy

IP 2022-01

Investigative Proceeding Relative to Customer Generator Interconnection

Set 3 Comments of Agilatas Energy, Inc.

Interconnection Queue Data

DER developers utilize public queue information to inform their approach to land acquisition, project feasibility and project valuation. Detailed queue data will indicate the level of DER saturation on a circuit or substation. Higher saturation can lead to interconnection study delays and higher system upgrade costs. Queue data can also be used to gauge the amount of time it takes for projects to move through the interconnection process. A detailed and accurate queue report provides all stakeholders with confidence that interconnection applications are being processed in accordance with applicable rules and standards. Queue data can also be used to screen for inefficiencies in the process and focus improvement efforts.

Many states have public queue reports. Most suffer from the same issues: incompleteness, inaccuracy, and lack of timely updates.

A small, accurate, and timely queue report is preferable to an overly ambitious format that suffers from the noted issues.

A minimum set would include:

- Project ID, Town, Circuit, Substation
- Project Capacity (e.g., nameplate kW), Type (e.g., PV)
- Current Queue Status (e.g., New Application, Under-study, Approved to Interconnect, Interconnected, Withdrawn).
- Key Process Dates (e.g., Application Received, Distribution Study Start, Distribution Study Complete, Transmission Study Start, Transmission Study Complete, I.3.9 Approval, Interconnection Agreement Executed, On-Line Date).

Ideally, each EDC will have application tracking software (e.g., Power Clerk) that integrates

with other EDC grid modernization databases, planning models, etc. This will allow for relatively easy updating of queue data. If proper attention is made to the initial capture and ongoing maintenance of interconnection application data, the updating of public queue reports should not involve significant manual effort. That said, a monthly update should be sufficient for most purposes.

Interconnection Procedures & Standards

Agilias Energy supports using the IREC Model Interconnection Procedures as a starting point for stakeholder discussions or, ideally, as a platform for an immediate rulemaking proceeding. IREC is expected to release an updated version in 2023 that will include best-practices that have developed in this rapidly evolving industry over the last few years.

Cost Allocation for Distribution System Upgrades necessary for DER interconnection

This topic requires significant stakeholder discussion and research and may ultimately require legislative action. Below are some important policy considerations that should be considered:

“Cost Causers Pays” should be tempered with “Beneficiaries Pay”.

DER interconnection typically involves two broad categories of costs: 1) Interconnection Facilities at or near the point of interconnection that are dedicated to the specific DER project, and 2) System Upgrades to utility infrastructure such as circuit extensions, circuit rebuild, additional protection devices (reclosers), substation upgrades, etc.

With a few exceptions, Interconnection Facilities benefit only the interconnecting DER customer. Those costs should be allocated 100% to the DER customer. The type of assignment could be either an initial deposit that is reconciled with actual as-built costs, or a standardized fixed charge with a reconciling tracking mechanism to ensure full EDC cost recovery.

System Upgrades, however, often result in significant and quantifiable improvements to the capacity, reliability, and resilience of the regional delivery system. These improvements have historically been assigned 100% to the DER customer under the presumption that “but for” the customers’ desire to interconnect to the grid, the utility would not have undertaken the effort to design and construct the system improvements. The “but for” presumption has resulted in DER customers funding millions of dollars of system improvements that have wide ranging system benefits. This presumption should be scrutinized and updated.

Cost Certainty is Critical to Clean Energy deployment

Proper cost allocation (i.e., revamping the “but for” presumption) may help to lower the developer’s total estimated cost of interconnecting a clean energy resource. Reducing the uncertainty of interconnection costs is equally important. The stakeholder group and/or rulemaking should also consider methods to create cost certainty. Examples include: 1) actual costs paid by the DER customer are capped at a fixed percentage of the original estimate (e.g., 125%). 2) interconnection costs are fixed annually at a specific rate (e.g., \$300/kW). The rate could be periodically reviewed, and a true-up mechanism created to ensure full EDC cost recovery.

Interconnection Facilitator or Ombudsman

Each EDC should assign a director-level employee to serve the role of the “DER Ombudsperson” to assist with complex DER-related matters. This person would be responsible for ensuring these matters are given appropriate attention, are addressed by the proper EDC group(s), and are handled in a manner that is consistent and compliant with rules, standards, etc. The benefit is the development of a trusting and cooperative relationship that will advance the common goal of providing clean energy options to our customers and communities.

The Department of Energy and/or the NHPUC should also employ a DER Ombudsperson. Much like the Office of the Consumer Advocate or Consumer Services, the “Office of the DER Ombudsperson” could be dedicated to facilitating the resolution of DER-related issues and/or complaints. The establishment of an Ombudsperson will provide DER customers with a less-formal, streamlined way of getting input and assistance. This may lead to fewer formal disputes and fewer petitions for regulatory action.

Interconnection Working Group(s)

In general, stakeholder working groups are an effective way for parties to engage, develop relationships, and share their experiences and perspectives. Participation should be voluntary and informal. Preferably, one or more representatives from each utility would be willing to actively engage and discuss near-term priorities and pursue process improvements that can be readily implemented with modest effort. Volunteers from the DER industry can be assembled by CENH. Agilitas Energy recommends that a voluntary, informal interconnection working group be formed immediately.

As a venue for creating enforceable policy and procedures, working groups fall short. Agilitas Energy has experience with interconnection working groups in other jurisdictions. Often, the group will spend months trying to achieve consensus on a modest change in policy, typically with minimal success because there is little incentive for either side to alter their positions. Thus, the group is left with areas of significant non-consensus and no efficient process to adjudicate the disagreement. Without the authority of a regulatory proceeding, it is difficult to reach substantive “decisions”, except perhaps on some minor and non-controversial issues.

For this reason, Agilitas Energy recommends that the NHPUC open an immediate rulemaking to adopt the IREC 2023 Model Interconnection Procedures. This rulemaking will be a more efficient way to drive consensus among the participants and/or resolve areas of disagreement.