



February 1, 2023

Via electronic email only

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

RE: Docket IP 2022-01 – Investigative Proceeding Relative to Customer-Generator Interconnection

Commissioner Chicoine:

The New Hampshire Department of Energy (the “Department”) issued an Order of Notice in the above-referenced docket on December 5, 2022. The Order opened an investigation that is in response to SB 262 (2022). SB 262 directed the Department to “investigate the potential modification of the rules of the public utilities commission in PUC 903.01(e) to ensure cost-effective, predictable, and timely interconnection procedures for customer generators to the state’s electric distribution system.” The Department directed the three regulated electric utilities in New Hampshire to respond to a set of questions listed in the Order. The Department also invited other parties, including distribution generation project developers and the New Hampshire Electric Cooperative, Inc. (“NHEC”), to file comments in the docket.

NHEC is a member-owned electric cooperative spread throughout 118 communities in New Hampshire. On June 6, 2000, NHEC exercised its ability pursuant to RSA 301:57 to file a certificate of deregulation with the New Hampshire Public Utilities Commission (the “Commission”). As a result of this filing, NHEC is subject to minimal Commission regulation. NHEC’s membership is primarily residential with a low member density per mile of distribution line. The characteristics of NHEC’s service territory have a large impact on its cost of service and the rates that it charges its members to support its distribution system. It also impacts how certain types of distributed energy resources impact the functioning of its distribution system. NHEC has developed its interconnection standards and procedures in response to this reality.

From the initial implementation of net metering in New Hampshire until 2016, NHEC participated in the net metering program required by RSA 362-A:9 and detailed in Rule Puc 900.

This program, referred to as “Below the Cap”¹ net metering, was successful as NHEC reached its 3.16 MW statutory cap on net metering by 2015. In response, NHEC created its “Above the Cap” program to allow further expansion of net metering by its members. Not long after that, the Legislature enacted HB 1116, which exempted NHEC from RSA 362-A:9 and Rule Puc 900. HB 1116 also directed the Commission to develop new net metering terms and conditions for the three utilities under the Commission’s jurisdiction with regard to net metering.² The “Above the Cap” program has been even more successful as it now accounts for 72% of all net metering capacity in NHEC’s service territory, totaling over 10 MW of locally-sited renewable energy. Its success is largely based on the balance of providing fair compensation for the export of net metered generation that is tied to the value NHEC receives from the time of the generation. NHEC has fully deployed interval Advanced Metering Infrastructure (“AMI”) meters to help calculate the value of this generation. NHEC’s ability to develop and offer this popular program was helped by its regulatory status.

In addition to its success with net metering, NHEC’s flexibility has allowed it to further innovate with the incorporation of distributed energy resources into its distribution system. An example of this is its transactive energy rate (“TER”) pilot program and its net-metering time of use pilot. The main component of this program is the use of avoided costs, highlighting for members with distributed energy resources (“DER”) the value of reducing or producing energy. Members that own DERs are able to take advantage of the arbitrage between on-peak and off-peak rates, creating value for their homes and businesses, while also reducing the environmental impacts of energy production and delivery for all members. NHEC continues to seek the appropriate balance between providing a services to its members that want to interconnect their devices while providing appropriate value to those members that choose not to participate in those programs.

The variety of resources that are being interconnected to the NHEC system highlight the need to avoid prescribing specific standards. What may be appropriate for a large solar facility in a rural area may not be appropriate for a smaller system in a suburban area. Moreover, a standard that may be appropriate for a solar facility may not be appropriate for a battery storage system or an electric vehicle charging station. NHEC’s interconnection standard flexibility allows it to adapt to the diversity of resources being added to its system. NHEC views interconnection decisions from the perspective of acting in the best interest of its members and how it can provide the most cost-effective, reliable, and sustainable electric service through these decisions.

NHEC has particular sensitivity to interconnection costs because it is an at-cost provider of electric service. It does not have shareholders that provide equity to invest in its distribution system. Instead, it relies on its members to pay these costs. For this reason, NHEC has continued to adhere to a policy whereby the interconnecting entity must pay the facility upgrade costs resulting from the interconnection of the resource – unless it can be clearly demonstrated the upgrade is providing a sufficient benefit to its members. As stated earlier, NHEC’s service

¹ “Below the Cap” refers to the fact the initial program created a cap on the total amount of net metering that a utility was allowed to offer under the then-applicable terms and conditions of the metering program.

² The current net metering program under the Commission’s jurisdiction (sometimes referred to as Net Metering 2.0) is similar to NHEC’s Above the Cap program.

territory is rural, with long stretches of distribution lines and very few areas of significant load. Large generation resources that propose to interconnect to NHEC's system rarely assign the production of these resources to serve local load given NHEC's rural service territory. Therefore, it is usually not appropriate to allocate the cost of the interconnection or the facility upgrades to NHEC's members.

In the questions posed to the regulated utilities, the Department asked whether it would be appropriate to establish an Interconnection Working Group to regularly assess if interconnection standards need modification. NHEC supports the idea of establishing such a working group and offers to voluntarily participate in the group to the degree its experiences and insight may be useful. It also believes this would be a good opportunity for NHEC to share with other stakeholders as standards and practices continue to evolve. However, as a member owned cooperative, NHEC's priorities differ from the other major investor owned utilities in New Hampshire and should not be mandated to participate or implement recommendations from the Interconnection Working Group.

Thank you for the opportunity to provide these comments and please let us know if there is any additional information that would be useful to the Department.

Regards



Elijah D. Emerson