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Jared Chicoine, Commissioner  
Department of Energy  
Via email: [proceedings@energy.nh.gov](mailto:proceedings@energy.nh.gov)

**Re: IP 2022-001, Investigative Proceeding Relative to Customer-Generator Interconnection**

Olivewood Energy LLC (“Olivewood”) is a developer of solar projects and has been working with New Hampshire communities since 2018. Olivewood appreciates the opportunity to provide comments on IP 2022-01.

By requiring this Investigative Proceeding Relative to Customer-Generator Interconnection, SB 262 (2022) recognized the authority that New Hampshire has to align interconnection standards with New Hampshire’s energy objectives and policies. Further, New Hampshire’s role in establishing policies for interconnecting to the distribution system became more important in 2022 due to ISO New England modifying its interconnection process to move substantially all small generator interconnection applications to state interconnection queues.

Olivewood looks forward to working with the New Hampshire Department of Energy and other stakeholders in this IP 2022-01 process.

**Olivewood Responses:**

- A. First, determine the current state of the interconnection processes, procedures, and engineering standards in New Hampshire (relates to Question 1).** Interconnection practices and engineering standards (including system planning requirements) should be but are not currently transparent<sup>1</sup>. This information may not be uniform across the electric utilities in New Hampshire and identifying the differences and rationales will be informative.
- B. New Hampshire can benefit from the significant efforts of other states to review policies, procedures, and engineering standards for interconnections (relates to Question 1). The context in which another state’s practices and standards were selected and the coherence of the overall set of policies, practices, and engineering standards is critical.**
  - What is appropriate for those other states must be considered in the context

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<sup>1</sup> An electric utility in New Hampshire has directed Olivewood subsidiaries to review “draft” materials submitted to the Massachusetts Department of Public Utilities for a description of that utility’s interconnection requirements for New Hampshire.

of New Hampshire's energy policies (same or different objectives and supporting programs) and system (e.g., network topology and current and projected distributed energy resources deployment).

- Practices, procedures, and engineering standards can be dependent upon each other. For instance, changing engineering standards so that a current applicant will fund all costs for upgrades intended to benefit future projects without also including a cost recovery mechanism – so the ultimate beneficiary pays its fair share - will lead to ratepayers not receiving the benefit of project-funded upgrades due to the cancellation of projects. Other states have recognized the dependencies between policies and engineering standards and explicitly linked the analysis of alternative interconnection procedures, policies, and engineering standards. For instance, the Massachusetts Department of Public Utilities investigation 20-175<sup>2</sup> is a review of interconnection standards and was structured with two parts: 1) a review of appropriate system planning policies and engineering standards, and then 2) the identification of costs and benefits and development of cost allocation policies.

**C. The interconnection process would benefit from increased transparency (relates to Question 2a). Transparency would increase the efficiency of the overall study process and facilitate the appropriate allocation of resources by private parties.**

- The development of procedures, policies, and engineering standards is required to go through a process of review by the Department of Energy and approval by the Public Utilities Commission. IP 2022-01 is an important initial step in this process.
- Procedures, policies, and engineering standards should be published and accessible to developers and other stakeholders. The information will facilitate the siting of projects in appropriate locations thereby reducing time spent studying projects that are unlikely to be viable.
- There has been limited to no communication between the utility and projects while studies are in process. Identifying interim points for communication while a study is in ongoing would likely expedite resolution of issues identified when a complete draft report is received and remove the potentially removing the need for the utility to preform additional analysis or redo an analysis.

**D. Developers recognize that initial cost and schedule estimates and dependent upon assumptions; however, increased transparency of those assumptions and the cost detail by activity would be a significant improvement (relates to Question 3a).**

- Interconnection cost estimates would benefit from increased detail to make the basis of the estimate more transparent. Interconnection cost estimates have been received with a single number or with costs based on the principal categories. More detail on the costs by activity or item is likely readily available

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<sup>2</sup> Massachusetts D.P.U. 20-75 is an "Investigation by the Department of Public Utilities On Its Own Motion Into Electric Distribution Companies' (1) Distributed Energy Resource Planning and (2) Assignment and Recovery of Costs for the Interconnection of Distributed Generation". D.P.U 20-75 is a continuation of the Massachusetts DPU's prior work on interconnection policies and procedures for distributed generation – specifically of D.P.U 19-55 which the Massachusetts DPU opened on May 22, 2019.

- from the utility; however, it has not historically been provided.
- Utility estimates of the duration required to engineer, procure, and construct interconnections have been increasing. Since 2020, Utilities and developers have each experienced increased disruptions to supply chains and challenges to the availability of contractors. The basis for the estimated duration for each step between execution of an interconnection agreement and the in-service date of the interconnection should be reviewed to identify potential enhancements.
  - The timeline for payments under interconnection agreements has been evolving without an apparent opportunity for review by the Department of Energy or approval by the Public Utility Commission. In 2022, a New Hampshire utility stated that it was instituting a new policy for the timing of payments by interconnection customers; however, Olivewood had not identified a public process in New Hampshire for the review of the new payments policy.

**E. Costs must reflect requirements that are based on New Hampshire's policies, procedures, and engineering standards (relates to Question 3a).**

- The most material issue with interconnection costs in New Hampshire has been the incremental costs that are due to changes in engineering standards; changes that had not been reviewed by the Department of Energy or approved by the Public Utilities Commission. At one project, a utility's "draft" policy change increased interconnection costs by approximately 400% (to approximately \$5 million from \$1 million). Policies and standards need to be transparent and to be developed with the participation of appropriate parties.
- Proposed changes to interconnection requirements can create risks to ratepayers and these risks have not been assessed for New Hampshire. For instance, Eversource has proposed and has been attempting to implement a change to an N-1 standard from an N-0 standard for certain distribution-level interconnections (i.e., to require study and upgrades for a primary and an alternative path). An Eversource representative stated during the June 13 technical session in NH Public Utilities Commission Docket No. DE 20-161 that studying and funding upgrades to replace either the primary or alternative path would be an "Eversource Capital Project" if Eversource modified the distribution system making one of the paths unavailable for the DER. Essentially, Eversource has proposed increasing the risk of future costs to ratepayers for Eversource Capital Projects" while acknowledging in DE 20-161 that Eversource had not attempted to estimate the costs or benefits of its proposed policy change. The proposed policy change, if implemented, would also reduce the supply of privately-funded generation since the incremental costs (paid for by a party that is not the principal beneficiary) would make some projects no longer viable.
- On-going costs must be addressed as well. The basis of operations and maintenance charges must be made more transparent. The included costs must be defined to ensure that costs are just and reasonable.

**F. Costs should be allocated to beneficiaries and the policies for implementing the allocation should consider how to efficiently and fairly recover costs from beneficiaries (relates to 3b).** Upgrades required for a specific DER project may benefit future DER projects. Multiple procedures have been proposed in other

states (e.g., in D.P.U. 20-75 in Massachusetts there have been alternative proposals from multiple stakeholders). The appropriate approach for New Hampshire should be considered as part of the comprehensive review of interconnection policies, procedures, and engineering standards. For instance, if engineering standards are set that lead to significant incremental costs for one project and the benefits are principally for other parties (e.g., Eversource's proposal for an N-1 requirement for certain distribution interconnections) the importance of an equitable cost allocation or recovery procedure increases.

**G. Establishing an Interconnection Working Group would improve transparency and facilitate efficient and timely process (relates to Question 5).** An Interconnection Working Group should include representatives of different stakeholders: utilities, the Department of Energy, developers of different scales of projects, and representatives of customers. Benefits of an Interconnection Working Group would include policies, procedures, and engineering standards that are transparent and aligned with New Hampshire policies. In addition, the activities of the Interconnection Working Group would likely facilitate more efficient proceedings in multiple proceedings (e.g., addressing issues in advance of Least Cost Integrated Resource Plan proceedings).

Thank you for the opportunity to provide comments in this Investigative Proceeding. SB 262 (2022) and the Investigative Proceeding demonstrate New Hampshire's awareness and action to improve the transparency, efficiency, and cost effectiveness of interconnection processes and upgrades – improvements that will ultimately benefit ratepayers. Olivewood looks forward to the opportunity to work with the Department of Energy and other stakeholders on this matter.

Respectfully,



Michael Caplan  
President, Olivewood Energy LLC