



August 18, 2023

BY ELECTRONIC MAIL

Jared S. Chicoine, Commissioner
New Hampshire Department of Energy
21 S. Fruit Street, Suite 10
Concord, NH 03301-2964

Re: **IP 2022-01 Investigative Proceeding Relative to Customer-Generation Interconnection**

Commissioner Chicoine:

In connection with the above-referenced matter I enclose Unitil Energy Systems, Inc.'s Set 3 Comments in response to the Department's August 1, 2023 Request for Comments.

Thank you for your attention to this matter. Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick H. Taylor", written over a horizontal line.

Patrick H. Taylor
Chief Regulatory Counsel

Enclosures

CC: Office of the Consumer Advocate

Patrick H. Taylor
Chief Regulatory Counsel
taylorp@unitil.com

6 Liberty Lane West
Hampton, NH 03842

T 603.773.6544

www.unitil.com

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF ENERGY**

IP 2022-001

Investigative Proceeding Relative to Customer-Generator Interconnection

Set 3 Comments of Unitil Energy Systems, Inc.

I. Introduction

Unitil Energy Systems, Inc. (“Unitil” or the “Company”) submits these comments in response to the Request for Comments issued in the above-captioned investigation on August 1, 2023. Unitil offers these comments on a preliminary basis and reserves the right to expand upon or add to these comments, and to respond to comments offered by other parties.

II. Comments of Unitil Energy Systems, Inc.

a. Interconnection Queue

Unitil does not believe the benefit to providing a published, online interconnection queue at this time justifies the cost and resources required to implement such a queue. The Company believes that it is first necessary to establish a standard application and interconnection process in New Hampshire. As the Company noted in its Round 2 Comments, there currently is no standard process in New Hampshire for applicants other than residential applicants (i.e., up to 10 KW). For example, in Massachusetts, there is a standard process for large systems that enables the tracking of project status. While there is no Company-published interconnection queue in Massachusetts, the Company does provide a monthly report on the status of large systems to the Department of Energy Resources (DOER) including, among other data, the dates of received applications and the status of pending applications. The DOER then publishes the information

online.¹ Absent a defined standard process, providing such a report is impractical in New Hampshire. Unitil supports the development of such a process, and agrees that any interconnection queue or report that follows such a process should be as simple as possible for ease of use and the appropriate allocation of Company resources.

With respect to frequency of queue updates, to the extent that an interconnection queue or report is eventually implemented in New Hampshire, the Company believes that updates should not be more frequent than monthly. More frequent updates would increase the likelihood of inaccurate information being provided, and would also place an undue burden on Company resources.

b. Interconnection Standard Reference / Preferences

As explained in the Company's first round of comments, Unitil does not recommend implementing the IREC 2019 Model Interconnection Procedures as written. Unitil recommends using the Massachusetts interconnection standards as a model. This will allow for regional consistency. Unitil and Eversource are already familiar with this interconnection process and it has proven successful for the Commonwealth of Massachusetts. This would also provide common interconnection standards to developers who work both in New Hampshire and Massachusetts.

c. Cost Allocation for Distribution System Upgrades

Unitil believes that the costs should be allocated and recovered in a manner consistent with traditional principles of causation, allocation, and recovery. Transparent and economically efficient pricing structures will ensure a viable and sustainable long term model that provides sufficient revenue to support the investments. Unitil does not propose a specific method of cost

¹ See, e.g., <https://www.mass.gov/doc/utility-interconnection-report-unitil-june-2023/download>

allocation at this time but believes that the allocation and recovery of costs should be straightforward and uncomplicated while generally aligning with principles of cost causation.

With respect to the methodologies set forth in the Request for Comments, Unitil offers the following observations:

- *Utility customers initially fund improvements and are reimbursed over time through a reconciliation method.* Unitil understands this to be similar to the “Capital Investment Project” method currently being utilized by Eversource and National Grid in Massachusetts.² As project proposals under this framework are new, the Company believes that further observation of this process is warranted.
- *Utility Prorated Cost Sharing:* Unitil assumes that this is for areas with group study, with multiple customers applying at the same time and a cost share among the customers. Unitil has not applied this method but is open to discussing it with the parties to this docket.
- *Post-Upgrade Allocation:* The Company understands this to be a process whereby an initial contributing project is reimbursed as other projects benefitting from the upgrades come on to the system. The Company believes that keeping track of system upgrades and interconnections and calculating cost share for reimbursement will be challenging, especially as years pass. Unitil does not believe that this is an optimal approach.
- *Defined contributions toward upgrades based on kW of the DER.* In Massachusetts, Unitil has supported a “Common System Modification Fee” for small facilities utilizing the Massachusetts simplified interconnection process.³ Common System Modifications that are required for simplified projects typically include the upgrade to a service transformer and/or the secondary conductors (i.e., “Secondary Crib”) serving multiple customers. Currently, when the aggregate DER capacity connected to a service transformer reaches the transformer capacity, the cost to replace the transformer is borne solely by the DER customer who triggers the upgrade. This cost can be burdensome on a small residential project. The Company is open to further discussing such an approach.

d. Interconnection Facilitator or Ombudsman

The Department of Public Utilities in Massachusetts has employed a DG Interconnection and Clean Energy Ombudsperson on staff for several years. The Company considers this to be a valuable and effective role at the Department. The designation of any such role in New

² See <https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/14232299>; see also, e.g., <https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/16827728>.

³ <https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/13002934>

Hampshire would require further discussion as to the responsibilities and authority of the position.

e. Working Groups

Unitil supports separate working groups (1) to address policies and procedures and (2) to address technical and engineering issues. With respect to informal working groups, the Company believes that all technologies within the legislatively defined scope of the investigation should be considered. Unitil strongly believes that the scope of the working groups, and of this investigation, should be narrowly defined and should not be expanded to include issues such as net metering and grid modernization. Such topics are incredibly complex and in some cases subject to already pending investigations; expanding the scope of this investigation will cause inefficiencies and likely dilute the usefulness of the process. Similarly, the Company believes that the scope of the investigation and the working groups should not be extended to address issues that will be considered by the Grid Modernization Advisory Group created by SB 166.

With respect to the near-term areas of focus and objectives, Unitil believes that establishing a standard process is the primary objective that will set the stage for other objectives. Unitil believes that decisions should be made on a consensus basis to incentivize compromise and ensure that all participants have a voice. If the participants cannot reach consensus on an issue, that should be noted in any working group report.

Formal governance processes (e.g., a charter) may not be necessary for informal working groups. However, the Company believes that specific agendas should be established in advance of any working group meetings to ensure a focused and efficient process.

III. Conclusion

Unitil appreciates the opportunity to provide these Set 3 Comments and looks forward to further discussion of these issues.