## STATE OF NEW HAMPSHIRE DEPARTMENT OF ENERGY

## DEVELOPMENT OF RENEWABLE ENERGY FUND PROGRAMS FOR LOW AND MODERATE INCOME RESIDENTIAL CUSTOMERS

## Order Approving Request for Proposals Competitive Solicitation for Low-Moderate Income Solar Project Funding in Fiscal Year 2023

The Department of Energy (Department) hereby approves a competitive solicitation through the issuance of a request for proposals (RFP) to select low-moderate income (LMI) community solar projects to be funded by the Renewable Energy Fund (REF) in state fiscal year (FY) 2023, pursuant to RSA 362-F:10, VIII and X. Under RSA 362-F:10, X, the Department is required to allocate not less than 15 percent of the REF annually to

benefit low-moderate income residential customers, including, but not limited to, the financing or leveraging of financing for low-moderate income community solar projects in manufactured housing communities or in multi-family rental housing.

The phrase "low-moderate income community solar project" is defined as "ground-mounted or rooftop solar arrays that directly benefit a group of at least [five] residential end-user customers, where at least a majority of the residential end-user customers are at or below 300 percent of the federal poverty guidelines." RSA 362-F:2, X-a.

The Public Utilities Commission (PUC) had previously authorized RFPs for FY 2019, FY 2020, and FY 2021, through orders issued in Docket No. DE 17-172. The Department became responsible for administering the REF and related programs instead of the PUC, effective as of July 1, 2021, under RSA 362-F:10 as amended by 2021 N.H. Laws Chapter 91 (House Bill 2-FN-A-Local). Under RSA 362-F:10, VIII, as amended, the Department is authorized to, "after notice and hearing, by order or rule, establish additional incentive or rebate programs and competitive grant opportunities for renewable thermal and electric energy projects sited in New Hampshire." The Department approved an RFP for FY 2022 by order issued on December 6, 2021.

The Department conducted a duly-noticed public comment session on October 12, 2022, at which interested stakeholders had an opportunity to address the proposed RFP competitive solicitation for FY 2023 and related issues. During that session, comments were received from a number of stakeholders, expressing support for the proposal to issue an RFP for FY 2023 while recommending that a number of changes be made to the terms of and process for the competitive solicitation. Written comments were also submitted by the Vermont Law and Graduate School Energy Clinic.

In particular, stakeholders recommended that the Department should consistently release an RFP at the same time each year, preferably in the September-October timeframe, to allow respondents to plan for the process, and each RFP should remain open for a longer time period to allow respondents to complete initial steps necessary to prepare a response. Stakeholders also recommended additional administrative changes such as increasing the project grant contract period from 18 months to 24-30 months, increasing maximum project grant funding levels, removing any minimum grant amount, and adjusting RFP scoring to award points to projects that include moderate-income participants, which can be a challenging market to identify as compared to low-income customers.

Stakeholders also commented in favor of allowing projects which qualify for the new LMI community solar program to benefit electric assistance program (EAP) customers, as required under 2022 N.H. Laws Chapter 329 (Senate Bill 270), to also be eligible to receive grant funding from the REF LMI grant program. Further recommendations included expanding eligibility to include affordable housing projects, allowing technologies other than solar to

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participate in the competitive selection process, and making so-called "seed funding" available to cover some of the initial soft costs associated with LMI project development prior to the project applying for REF funding.

Based on the record of such stakeholder comments, and the statutory authority cited above, I hereby find that it is reasonable and appropriate to once again issue an RFP to select LMI community solar projects to be funded by the REF in FY 2023, but with a longer open bid period of 10 weeks and a maximum grant contract period of up to 24 months. The Department has allocated \$1.0 million for the LMI program for FY 2023 and the RFP shall be issued in that total amount. The maximum grant amount for any project shall be \$400,000 with no minimum grant amount specified. A higher maximum point score shall be applicable for projects providing significant direct benefits to moderate-income instead of or in addition to low-income residential customers. Projects shall not be ineligible for the grant if they also intend to submit a proposal in response to any future competitive solicitation that may be issued to implement the EAP solar project program under SB 270, but no project shall be eligible for the FY 2023 LMI grant program if its proposal is expressly contingent on its selection in any such future separate solicitation. Other potential changes to the RFP scope, eligibility, process, and timing, as proposed by certain stakeholders, will be deferred for consideration until future fiscal years. Department staff are directed to prepare an LMI grant program RFP for issuance on or before November 18, 2022.

## Based upon the foregoing, it is hereby

**ORDERED**, that the Department shall issue a request for proposals to select lowmoderate income community solar photovoltaic projects to be funded by the Renewable Energy Fund in state fiscal year 2023, consistent with the parameters specified in this order.

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So ordered this eighth day of November, 2022.

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