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FROM: Jared S. Chicoine, Commissioner  
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SUBJECT: DE 13-298, DE 16-614: Adjustments of Fiscal Year 2023 Program Budget Allocations

### **Summary**

The Renewable Energy Fund (REF) is a special, non-lapsing fund, the purpose of which is to support electrical and thermal renewable energy initiatives. By memoranda dated September 14, 2022, and November 2, 2022, the Department of Energy (Department) established and approved program budget allocations for state fiscal year 2023 (FY23). Budget and program details of the REF are available on the Department's website at <https://www.energy.nh.gov/renewable-energy/renewable-energy-rebates>. This memorandum approves amendments to certain program budgets based on current program demand and projected spending for the remainder of FY23.

### **Background**

A total of \$3,000,000 has been made available for FY23 REF grant and rebate programs. On September 14, 2022, the Department authorized the allocation of \$1,000,000 in new funding and the carry forward of \$785,639 in unexpended funds from the prior fiscal year, to enable the continued operation of the rebate programs to new applications; with a second allocation of \$2,000,000 made on November 2, 2022. These new allocations represent a 55% allocation to commercial and a 45% allocation to residential programs, based on the percentage of total sales for each rate class, as required by RSA 362-F:10, IX.

Table 1 on the following page summarizes the allocation of funding to specific Residential and Commercial and Industrial programs supported by the REF and meeting the program funding requirements of RSA 362-F.

**Table 1: Funding Allocations by Program for FY 2023**

	<b>Nov 2, 2022 Program Allocations for FY23</b>	<b>Sept 13, 2022 Program Allocations for FY23</b>	<b>Prior Year Program Allocations Carry Forward</b>	<b>Total Funding Available</b>
<b>Residential</b>				
Renewable Electric Generation Rebates	\$177,000	\$200,000	\$0	\$377,000
Bulk-Fed Pellet Central Heating Rebates	\$123,000	\$300,000	\$4,028	\$427,028
LMI Grant (min 15%)	\$150,000	\$400,000	\$450,000	\$1,000,000
<i>sub-total</i>	<i>\$450,000</i>	<i>\$900,000</i>	<i>\$454,028</i>	<i>\$1,804,028</i>
<b>Commercial &amp; Industrial</b>				
Solar Rebates	\$50,000	\$250,000	\$138,234	\$438,234
Bulk-Fed Pellet Central Heating Rebates	\$0	\$100,000	\$193,377	\$293,377
Competitive Grants	\$500,000	\$750,000	\$0	\$1,250,000
<i>sub-total</i>	<i>\$550,000</i>	<i>\$1,100,000</i>	<i>\$331,611</i>	<i>\$1,981,611</i>
<b>Total Residential and C&amp;I</b>	<b>\$1,000,000</b>	<b>\$2,000,000</b>	<b>\$785,639</b>	<b>\$3,785,639</b>

**Program Status and Allocation Adjustments**

The Department’s Sustainable staff monitors REF programs and their respective budgets throughout the fiscal year.

Residential Bulk Fed Wood Pellet Central Heating Rebate program and the Commercial and Industrial (C&I) Solar Rebate program have both experienced a high volume of applications and it is expected that demand will exceed available funding unless further action is taken.

As of June 1, 2023, the Residential Bulk Fed Wood Pellet Boiler/Furnace Rebate program had a remaining unencumbered balance of \$6,576 and the Commercial and Industrial (C&I) Solar Rebate program had a remaining unencumbered balance of \$0.

The Commercial & Industrial (C&I) Competitive Grant program anticipates funding two projects for a total of \$800,000, leaving an unencumbered balance of \$450,000 available.

To meet the anticipated demand for the Residential Bulk Fed Wood Pellet Central Heating Rebate program and the C&I Solar Rebate program, the Department approves the reallocation a total of \$450,000 from the C&I Competitive Grants Program to the Residential Bulk Fed Wood Pellet Central Heating Rebate program and the C&I Solar Rebate program as detailed in Table 2 on the following page.

**Table 2: Budget Allocation Adjustments for FY 2023**

<b>Program</b>	<b>Total FY23 Budget</b>	<b>Adjustment</b>	<b>Adjusted FY23 Budget</b>
Residential Bulk Fed Wood Pellet Central Heating Rebate Program	\$427,028	\$50,000	\$477,028
Commercial & Industrial Solar Rebate Program	\$438,234	\$400,000	\$838,234
Commercial & Industrial Competitive Grants	\$1,250,000	(\$450,000)	\$800,000

This allocation adjustment represents a 1.6 percentage point shift from the commercial to the residential sector programs for FY 2023. The imbalance created by this allocation adjustment will be corrected to return total spending over the two-year period to the split of 45% residential and 55% commercial and industrial as required by RSA 362-F:10, IX when the budgets are established for FY24.