

## MEMORANDUM

TO: Martin P. Honigberg, Chairman  
Robert R. Scott, Commissioner  
Kathryn M. Bailey, Commissioner

Cc: Debra Howland, Executive Director  
Anne Ross, General Counsel  
Eunice Landry, Business Administrator  
Elizabeth Nixon, Energy Analyst

FROM: Karen Cramton, Director, Sustainable Energy Division *KPC*

DATE: January 26, 2016

RE: DE 10-024: Request to Approve FY16 program budgets

NHPUC 28 JAN 16 AM 9:27

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The Renewable Energy Fund (REF) is a dedicated, non-lapsing fund whose purpose is to support electrical and thermal renewable energy initiatives. In August 2015, the Sustainable Energy Division (SED) recommended the preliminary program allocations in Table 1, based on partially reconciled alternative compliance payments (ACPs) and the Commission's request to expend calendar year (CY) 2013 REF monies, for fiscal year 2016 (July 1, 2015 through June 30, 2016).

**Table 1 – Preliminary Renewable Energy Fund Program Budget Allocations**

Residential Solar Rebates	\$ 2,401,080
Solar Hot Water Rebates	\$ 50,000
Residential Biomass Rebates	\$ 325,000
<i>Residential Sub-total</i>	<i>\$ 2,776,080 (40%)</i>
C&I Solar Rebates – Category 1	\$ 1,864,119
C&I Solar Rebates – Category 2	\$ 750,000
C&I Biomass Rebates	\$ 800,000
C&I Grants	\$ 750,000
<i>C&amp;I Sub-total</i>	<i>\$ 4,164,119 (60%)</i>

This memorandum is to request approval to amend the program budgets for the REF managed by the SED for fiscal year (FY) 2016. Since August, the Commission has reconciled FY15 carry-forward balances and ACPs; thereby necessitating additional funds be allocated to the FY16 program budgets. Table 2 summarizes the revenues and proposed budget for the REF.

**Table 2 – Summary of Renewable Energy Fund**

**Fund Balance Analysis**

\$17,998,506	Renewable Energy Fund (REF) Balance as of June 30, 2015
3,416,626	CY14 ACP Payments received in FY15
992,843	CY14 ACP Payments received in FY16
(500,000)	Site Evaluation Committee - HB614
(500,000)	Admin Services MOU Hazen Drive - G&C 02/11/2015 #56
<b>\$21,407,975</b>	<b>FY 16 Beginning Fund Balance</b>

**Budget Analysis**

\$12,936,620	FY15 Program Balance Forward
3,661,030	FY16 Continuing Resolution Program
3,279,169	FY16 Budget & Expend Program
259,287	FY16 Continuing Resolution Administrative
530,849	FY16 Budget & Expend Administrative
<b>\$20,666,954</b>	<b>FY 16 Total Appropriation*</b>
19,876,819	FY 16 Program Appropriation (Adjusted for Administrative )
(179,929)	ACP Adjustments (Prior Year and Current)
(153,627)	FY 14 Grants Encumbered
(1,807,199)	FY 15 Grants Encumbered
(7,561,797)	FY 15 Rebates Committed
(450,000)	FY 15 Grants Anticipated
<b>\$ 9,724,267</b>	<b>FY16 Rebate and Grant Funds Available</b>

\*Appropriation reduced by \$741,021 for transfer to Homeland Security and Emergency Management

**Program Analysis**

<b>\$ 9,724,267</b>	<b>FY16 Adjusted Program Budgets for the REF - 09/01/2015</b>
\$ 4,578,501	Funds Allocated to Residential Sector
\$5,145,766	Funds Allocated to C&I (non-residential) Sector

On August 6, 2015, the Commission released a preliminary program budget to spend \$6,940,199 in state fiscal year 2016 (July 1, 2015 through June 30, 2016). On September 1, 2015, staff completed the reconciliation of carry-forward funds and the alternatives compliance payments, increasing the budget available for programs to by \$2,784,068 for a revised FY16 program budget of \$9,724,267, plus FY15 carry-forward monies. With Commission approval these funds will be allocated to programs as shown in Table 3.

**Table 3 – Final Renewable Energy Fund Program Budget Allocations**

<b>REF Program</b>	<b>FY15 Encumbered Funds</b>	<b>FY16 Preliminary Budget <i>(Released August 2015)</i></b>	<b>FY16 Additional Budget Allocation</b>	<b>Final FY16 Budget <i>(FY15 Encumbered + FY16 Preliminary + FY16 Additional)</i></b>
Residential PV & Wind	\$ 1,315,474	\$ 2,401,080	\$ 1,627,421	\$ 5,343,975
Residential Solar Hot Water	\$ 6,200	\$ 50,000	\$ -	\$ 56,200
Residential Wood Pellet Boiler/Furnace	\$ 53,063	\$ 325,000	\$ 175,000	\$ 553,063
<b>Subtotal Residential</b>	<b>\$ 1,374,737</b>	<b>\$ 2,776,080</b>	<b>\$ 1,802,421</b>	<b>\$ 5,953,238</b>
C&I Solar Original	\$ 1,132,170	\$ -	\$ -	\$ 1,132,170
C&I Solar Category 1	\$ 2,113,682	\$ 1,864,119	\$ -	\$ 3,977,801
C&I Solar Category 2	\$ 2,279,420	\$ 750,000	\$ 856,647	\$ 3,886,067
C&I Biomass Heating Systems	\$ 661,789	\$ 800,000	\$ -	\$ 1,461,789
C&I Grants (2012 & 2013 RFPs)	\$ 153,627	\$ -	\$ -	\$ 153,627
C&I Grants (RFP #2014-003)	\$ 2,257,199	\$ -	\$ -	\$ 2,257,199
C&I Grants (RFP #2015-002)	\$ -	\$ 750,000	\$ 125,000	\$ 875,000
<b>Subtotal C&amp;I</b>	<b>\$ 8,597,887</b>	<b>\$ 4,164,119</b>	<b>\$ 981,647</b>	<b>\$ 13,743,653</b>
<b>Total Residential &amp; C&amp;I</b>	<b>\$ 9,972,624</b>	<b>\$ 6,940,199</b>	<b>\$ 2,784,068</b>	<b>\$ 19,696,891</b>
Administrative Costs	\$ -	\$ 790,136	\$ -	\$ 790,136
ACP Adjustments (Prior Year and Current)	\$ -	\$ -	\$ -	\$ 179,929
<b>Total</b>	<b>\$ 9,972,624</b>	<b>\$ 7,730,335</b>	<b>\$ 2,784,068</b>	<b>\$ 20,666,956 *</b>

\*Rounding (FY16 Total Appropriation = \$20,666,954)

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