

STATE OF NEW HAMPSHIRE

Intra-Department Communication

DATE: April 25, 2017

AT (OFFICE): NHPUC

FROM: Karen Cramton, Director, Sustainable Energy Division

NHPUC 27APR'17AM8:03

SUBJECT: DE 10-024, DE 13-298, DE 10-212 and DE 15-302: Request to Reallocate Fiscal Year 2017 Program Budgets

TO: Martin P. Honigberg, Chairman
Robert R. Scott, Commissioner
Kathryn M. Bailey, Commissioner
Debra Howland, Executive Director

CC: Eunice Landry, Business Administrator

The Renewable Energy Fund (REF) is a dedicated, non-lapsing fund whose purpose is to support electrical and thermal renewable energy initiatives. By secretarial letter dated November 3, 2016, the Commission approved the program budget for state fiscal year 2017 (FY17) (July 1, 2016 through June 30, 2017). Budget and program details of the REF are available in the Commission's online docket book for DE 10-024 available at <https://www.puc.nh.gov/Regulatory/Docketbk/2010/10-024.html>

This memorandum requests approval to amend certain program budgets based on current program demand and projected spending for the remainder of FY17. Staff monitors REF programs and their respective budgets throughout the fiscal year. When taking into account rebates paid and current rebate reservations, as of April 24, 2017, the Residential Solar PV and Wind Rebate program budget is nearly fully reserved with an available unreserved balance of approximately \$10,000. In contrast, the Residential Bulk Fed Wood Pellet Boiler/Furnace Rebate Program has approximately \$475,000 in available funds and the Solar Water Heating program has an available balance of approximately \$40,000.

Based on historical and anticipated demand, Staff recommends reallocating a total of \$300,000 from the Residential Solar Water Heating and Bulk Fed Wood Pellet Boiler/Furnace Rebate programs to the Residential PV and Wind Rebate Program as described in Table 1 below.

Table 1. Recommended FY17 REF Residential Rebate Program Budget Reallocations

Residential Rebate Program	FY17 Budget	Adjustment	Adjusted FY17 Budget
PV and Wind	\$3,386,623	\$300,000	\$3,686,623
Solar Water Heating	\$50,000	(\$30,000)	\$20,000
Wood Pellet Boiler/Furnace	\$762,990	(\$270,000)	\$492,990

For the Commercial and Industrial (C&I) sector programs, Staff continues to see steady demand. On December 22, 2016, the C&I Solar Category 2 Rebate program funds became fully reserved and a waitlist was established for the program. There are currently 2 applications on the wait list. As of April 24th, the C&I Solar Category 1 Rebate program budget is nearly fully reserved with an available unreserved balance of approximately \$100,000 and the C&I Wood Pellet Bulk Fuel Fed Central Heating Rebate program has an available balance of approximately \$375,000.

On September 30, 2016, Staff released the annual Competitive C&I Grant program Request for Proposals (RFP #2016-007). Based on demand and the nature of the proposals, Staff recommends the Commission allocate an additional \$272,425 to the Grant program budget as described in Table 2 below.

Table 2. Recommended FY17 REF C&I Rebate Program Budget Reallocations

Commercial and Industrial Programs	FY17 Budget	Adjustment	Adjusted FY17 Budget
Wood Pellet Central Heating	\$956,245	(\$272,425)	\$683,820
Competitive Grant	\$1,000,000	\$272,425	\$1,272,425

In addition, to help meet anticipated demand for all Rebate programs, Staff will continue to monitor for expired step 1 program applications. All applicants with expired step 1 applications will be notified via email and be given 10 business days to submit a completed step 2 application or request an extension. If no action is taken by the applicant within 10 business days, the reserved funds will be “released” and made available to other applications in the queue.

Once individual program funds are fully reserved, Staff recommends that the Commission suspend new rebate program reservations and authorize the creation of individual program waiting lists to establish priority for the processing of applications if and when additional funding becomes available. Staff indicated that additional funding for the REF is expected at or around the start of the next fiscal year; July 1, 2017. Staff will also continue to monitor all programs for expired step 1 applications, indicating projects are not moving forward, to release additional funds as appropriate.

The aforementioned recommended reallocation of funds would have no impact on the balance of funds allocated between the residential and non-residential program sectors (see RSA 362-F:10) and meets other statutory allocation requirements.

Staff recommends the Commission approve the Residential and Commercial and Industrial program budget reallocations that are defined in Table 1 and Table 2, and authorize Staff to establish program waitlists when program FY17 budget funds become fully reserved.