

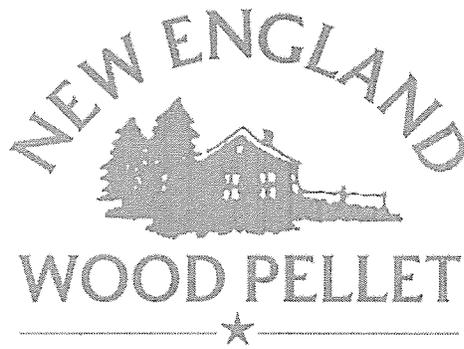
DE 13-298

From: Charlie Niebling [mailto:niebling@inrslc.com]
Sent: Wednesday, November 06, 2013 10:50 AM
To: Ruderman, Jack; Bernstein, Barbara; PUC
Cc: 'Mark Wilson'
Subject: Comments on DE 13-298, C/I Pellet Boiler Rebate Program

Dear Ms. Howland: On behalf of New England Wood Pellet LLC, please accept the attached comments on DE 13-298, the PUC's proposed commercial/industrial wood pellet boiler rebate program.

Thank you.

Charlie Niebling
Partner and Principal
Innovative Natural Resource Solutions LLC
603 965 5434
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November 5, 2013

Ms. Debra Howland
Executive Director
NH Public Utilities Commission
21 S. Fruit St.
Concord NH 03301

RE: Comments on proposed commercial/industrial wood pellet boiler rebate program

Dear Ms. Howland:

On behalf of New England Wood Pellet LLC, thank you for the opportunity to comment on the PUC's proposed renewable energy incentive program for commercial and industrial bulk fuel-fed wood pellet central heating systems.

We offer brief input on each of the PUC's questions as stated in the Order of Notice on DE 13-298:

(1) *How to optimize the C&I bulk fuel-fed wood pellet central heating system rebate program's benefit to the state*

A: Set high standards for both the technology and installation to ensure that rebates support only the most competent installations. Set a maximum rebate amount that is neither too high nor too low to ensure a balance between the total number of installations the incentive can support, and the size of the installations.

(2) *Whether there should be a minimum and maximum BTU size requirement for C&I systems that would be eligible*

A: We do not think the PUC should set a minimum or maximum BTU size requirement. A maximum rebate award will have some impact on the size and scope of projects that are proposed.

(3) *Whether eligibility of a system should be based upon BTU installed capacity or anticipated performance*

A: We do not support basing eligibility on BTU installed capacity or anticipated performance, although we do think the PUC should set a minimum output efficiency requirement of 80% HHV at full output to ensure that only high caliber boilers can qualify.

(4) *Whether applicants should be required to have completed energy efficiency audits or upgrades before applying for the rebate*

A: We do not support a requirement that the applicant have performed an energy audit or implemented efficiency upgrades; however, we think the PUC should ask the applicant to document these actions to emphasize the importance of making these investments prior to installing a renewable energy system.

(5) *Whether eligibility should be tiered to encourage a wide variety of applicants*

A: We do not support tiering of eligibility by size class or any other factors. A maximum rebate amount will limit large projects, and we do not think you should artificially constrain any size class by any other means.

(6) *Whether there is an optimal rebate amount to incent participation*

A: Our recommendation is to set the rebate at 30% of installed capital cost, with a rebate maximum of between \$30,000 and \$50,000. This will ensure a relatively large number of projects will qualify across the state (20+), and allow some larger-sized projects (up to \$167,000 total installed cost) to capture the full rebate.

(7) *Whether it should be permissible to obtain a rebate in addition to REC eligibility or other incentives for a particular facility*

A: Yes, a motivated applicant should be allowed to qualify for any and all incentives, perhaps with a cap of 75% of installed capital cost so that PUC rebate funds are not paying down 100% of the cost of any system. Thermal RECs are a performance-based incentive and so cannot currently be utilized toward capital cost.

(8) *How to maximize the longevity of the systems installed, including whether only systems with warranties of a particular duration should be eligible*

A: We advocate against requiring warranties of certain duration, as they are no guarantee of system longevity. Requiring warranties of certain duration interferes with the buyer-seller prerogative.

(9) *Whether and what type of thermal storage should be required in relation to the size of eligible systems*

A: Thermal storage should not be required, as every installation is different and some may benefit from thermal storage while others may not need it to optimize performance. That said, we do support a rebate "add-on" (up to \$5,000) if thermal storage is determined to be beneficial and included in the project.

(10) *Whether heat load calculations should be required as part of the application*

A: We do support the requirement of a heat load calculation by a qualified expert, as well as a bin hour analysis, as was suggested at the stakeholder meeting. The cost of these analyses should be borne by the applicant. The NH Wood Energy Support Team may be able to provide some financial assistance with this cost from its recently secured USDA grant funds.

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We thank the PUC for its commitment to biomass heating and its support for the creation of a rebate program for commercial/industrial installations, as well as its continuing support of the residential wood pellet boiler rebate program.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles R. Niebling". The signature is fluid and cursive, with the first name "Charles" being the most prominent.

Charles R. Niebling
Innovative Natural Resource Solutions LLC
Consultant to New England Wood Pellet LLC
603 965 5434
cniebling@pelletheat.com

Cc: Jack Ruderman, PUC
Barbara Bernstein, PUC