

**BEFORE THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DE 16-576

Development of New Alternative Net Metering Tariffs
and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators

**COMMENTS OF CONSERVATION LAW FOUNDATION
ON STAFF'S FEBRUARY 16, 2018 RECOMMENDATIONS**

In Order No. 26,029, the Commission approved “the EFC [Energy Future Coalition] proposal that the utilities develop non-wires alternative pilot programs,” and in so doing, directed the utilities to “develop non-wires alternative pilot programs focused on the installation of DG in lieu of potential utility distribution system upgrades.” Order at 64. The Commission further directed that, “[t]here should be at least one such pilot program in each utility service territory...and Eversource should have at least three such locations.” *Id.* In addition, “The projects selected should be those that meet the relevant reliability criteria and result in the greatest utility cost avoidance or deferral.” *Id.*

In a working group convened to develop the non-wires alternative pilots, the parties discussed whether the pilots should be limited to distributed generation or should also include other non-wires solutions. The parties then filed written comments on this question, with the large majority recommending that the pilots include but not be limited to distributed generation. Subsequently, in comments filed February 16, 2017, Staff expressed a concern that “unrestricted NWAs open to all DERs may not represent an effective means of obtaining relevant data regarding the locational value of DG on utility distribution systems.” Staff therefore recommends that “the focus of distribution system locational valuation should be shifted to study and analysis rather than NWA pilot programs.”

Conservation Law Foundation appreciates Staff's concerns but respectfully believes that a non-wires alternatives pilot does not need to exclude other distributed energy resources in order to be "focused on the installation of DG." Any non-wires alternative pilot that includes distributed generation as a primary element of the solution set is adequately "focused on the installation of DG" to satisfy Order. No. 26,029, as well as the non-wires alternatives pilots included in the EFC Settlement to which CLF was a party.

In joint comments submitted on December 8, 2017, CLF advocated that the planned non-wires alternatives pilots extend not only to distributed generation but to distributed generation *plus* other distributed energy resources. CLF pointed out that pilots extending to distributed generation plus other distributed energy resources will in some cases better preserve the principles of cost-containment and cost-savings, without sacrificing the collection of data on distributed generation. CLF stated that, "flexibility in selecting and combining NWA solutions is cost-reducing," but that "pilots can be designed to require a certain amount of DG in order to ensure sufficient data to evaluate DG." Joint Comments at 3-4.

While it is certainly possible to test the ability of distributed generation alone (such as rooftop solar alone) to defer utility upgrades, it is not a best practice. Best practice instructs that the most effective pilot is one that reflects realistic parameters. Rooftop solar taken alone may be less cost-effective in some instances as a tool to defer utility investments than distributed generation in combination with other distributed energy resources. Other distributed energy resources that can have cost-reducing synergies when combined with customer-sided generation include energy efficiency, demand response, and energy storage. Because a solution that includes more than one resource may be cheaper and more comprehensive, such a combined solution set should not be excluded at the outset. The state is more likely in normal practice to

adopt a non-wires solution that has lower up-front costs and a larger long-term payoff, therefore a combined solution set should not be excluded from consideration in the pilots under this docket.

For instance, a utility may identify a key neighborhood for load reductions that would defer or avoid a significant distribution upgrade. Houses on one side of the street may be appropriate for rooftop solar, while houses on the other side of the street, which have roofs facing the opposite direction, would be ideal candidates for other distributed energy resources, such as battery storage or controllable appliances. In order to most effectively defer—or avoid entirely—a distribution upgrade, deployment of rooftop solar in combination with another resource or resources would be advisable. In this type of situation, a single technology such as rooftop solar might defer but not entirely avoid the utility infrastructure investment. In contrast, a combination of rooftop solar plus battery storage or controllable appliances could provide a cheaper up-front cost than a single technology, as well as longer-term cost relief, in terms of distribution upgrade costs ultimately avoided.

Order No. 26,029 directs that “DG projects should be selected to participate in the pilot program through a competitive solicitation process overseen by a neutral third party consultant engaged by the Commission.” Conservation Law Foundation respectfully recommends that the Commission proceed with this process as described in the Order. The neutral third party consultant should set parameters for the competitive solicitation requiring DG to be an integral element in each bid solicited.¹ The solicitation should also indicate that other distributed energy resources may be included in any bid where the bidder deems such additional resources to amplify overall cost-savings.

¹ The Commission may define “significant” by requiring that distributed generation constitutes at least 40-50% of projected demand reductions in any bid.

Distributed generation does not need to stand alone for its effectiveness to be demonstrated and analyzed. Conservation Law Foundation notes that Liberty Utilities has already proposed a non-wires pilot program that includes multiple demand-reducing elements, although it does not include distributed generation. There is no reason that multiple demand-reducing elements cannot be combined in this docket to amplify cost-savings while ensuring adequate data collection. Prior pilots, such as the Boothbay Pilot in Maine, which was discussed in the underlying docket, have demonstrated the feasibility of combined-solution non-wires alternatives pilots.

Finally, Conservation Law Foundation urges the Commission not to defer the development of non-wires alternatives pilots for another proceeding. In the interval since Order No. 26,029 was issued, nothing has changed to suggest that the pilots are not timely and appropriate. To the contrary, the information gained from these pilots will help to develop appropriate compensation levels for distributed generation, and could also be used to help develop appropriate compensation levels for other DER.² The filing of Liberty's proposed battery storage pilot in Docket No. DE 17-189 further demonstrates the timeliness of and demand for lowering ratepayer bills using non-wires solutions.

² I note that the VDER working group is currently considering how best to create a VDER model that could be generally applicable to distributed generation plus other amplifying technologies such as battery storage. Non-wires alternatives pilots that feature distributed generation plus other amplifying resources are fully consistent with those efforts.

Respectfully submitted,

CONSERVATION LAW FOUNDATION



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments has on this 16th day of March 2018 been sent by email to the service list in Docket No. DE 16-576.



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Conservation Law Foundation