

THE STATE OF NEW HAMPSHIRE

BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

JOINT SUPPLEMENTAL TESTIMONY OF

ANDREW C. BELDEN

BRIAN J. RICE

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY

CLEAN INNOVATION COMMUNITY SOLAR PILOT PROPOSAL

Docket No. DE 19-104

1 **Q. Mr. Belden, please state your name, business address and position.**

2 A. My name is Andrew C. Belden. My business address is 247 Station Drive, Westwood,
3 MA 02090. My position is Director, Customer Solar Programs at Eversource Energy
4 Service Company and in that position I provide service to the operating companies of
5 Eversource Energy including Public Service Company of New Hampshire d/b/a
6 Eversource Energy ("Eversource" or "the Company").

7 **Q. Mr. Rice, please state your name, business address and position.**

1 A. My name is Brian J. Rice. My business address is 247 Station Drive, Westwood, MA
2 02090. My position is Manager, Regulatory Projects at Eversource Energy Service
3 Company and in that position I provide service to the operating companies of
4 Eversource Energy including the Company.

5 **Q. Have you both previously submitted testimony in this docket?**

6 A. Yes. We submitted joint testimony with Katherine W. Peters in support of the
7 Company's proposed Clean Innovation Community Solar ("CICS") pilot.

8 **Q. Please summarize the proposed CICS pilot presented in your prior testimony?**

9 A. The Company proposed the CICS pilot in order to test an alternative model for
10 community shared solar with the goal of overcoming existing barriers to low and
11 moderate-income customer participation in net metering and community shared solar
12 programs. The Company designed the CICS pilot to utilize existing billing and customer
13 information resources in place for the Electric Assistance Program to manage low
14 income customer participation in shared solar facilities and to mitigate financial barriers
15 to low income customer participation in solar programs. The key elements of the
16 proposed CICS pilot are:

- 17 • Provide transparent direct benefits to low income customers through no-cost, on-
18 bill credits
- 19 • Minimize customer acquisition and administrative barriers by utilizing Company
20 resources to enroll EAP customers in shared solar arrangements.
- 21 • Maximize low income customer benefits through competitive selection of pilot
22 participants

- Engage enrolled EAP customers through targeted education and outreach

The Company also proposed to include in the CICS compensation structure additional credit for surplus generation authorized by New Hampshire SB 165, *An Act relative to net energy metering by low-moderate income community solar projects* and to allow participation of facilities up to 5 MW in capacity. As explained in its initial filing, the Company projects that it can enable solar projects to share benefits with customers that exceed \$100 per EAP customer annually through the pilot, provide total credit of over \$5 million to as many as 4,000 customers over its duration and potentially reduce arrearage and bad debt expense by more than \$250,000 over the course of the pilot.

Q. Is the Company making any changes to its proposal at this time?

A. Yes. In order to remove a potential impediment to the Commission's approval of the proposed pilot the Company is revising its initial proposal which allowed participation of facilities up to 5 MW in capacity down to the current existing legal limit of 1 MW in capacity. The primary goal of the CICS pilot is to build off successful group net metering programs authorized by RSA 362-A:9 and support more low-income customer participation in New Hampshire's net metering programs. A secondary goal of the Company's proposed pilot was to explore the ability of larger distributed generation facilities to achieve lower costs through economies of scale. However, RSA 362-A:9 limits eligibility for net metering to facilities with generating capacity no greater than 1 MW. The Company recognizes that the Commission may find it is unable to approve a pilot that includes facilities greater than 1 MW and provides compensation equal to what is authorized for net metering facilities. As a result, the Company is modifying its proposal to conform to existing limits and only permit participation of facilities with

1 generating capacity up to the limits included in RSA 362-A:9 of 1 MW of generation
2 capacity. The Company also proposes to require that participating communities
3 identified by a host customer in response to the Request for Proposals include
4 customers with total historic annual load that together with the host exceeds the
5 projected annual output of the host's facility. The Company is proposing this change to
6 remove any conflicts between the pilot and statute, RSA 362-A:9 XIV(a) and therefore
7 facilitate approval by the Commission.

8 **Q. Are there circumstances in which the Company proposes to permit facilities**
9 **greater than 1 MW to enroll in the pilot?**

10 A. Only if modifications were made to RSA 362-A:9 that permitted net metering of such
11 facilities and the Company had not yet completed selection of all participating facilities
12 for the pilot. The Company notes that bills have previously been introduced in the New
13 Hampshire state legislature which would increase capacity limits of net metered facilities
14 and for that reason alone seeks approval of a pilot that would remain consistent with
15 state law in the event of changes to statute, although the outcome of these bills is
16 uncertain. The Company expects the pilot goals to overcome barriers and enable low
17 income customer participation in shared solar programs would continue to apply if New
18 Hampshire choose to expand net metering eligibility to facilities greater than 1 MW and
19 the Company would aim to manage the pilot to include any facilities permitted by
20 applicable laws or regulations.

21 **Q. Please describe the barriers that may prevent low income customers from**
22 **benefiting from larger solar facilities?**

1 A. The barriers are the same administrative challenges and customer acquisition costs we
2 described in our initial testimony, however for larger facilities those challenges are
3 amplified. As many as 1,000 residential customers could be required to fully subscribe a
4 5 MW solar facility. Rather than recruit and maintain enrollment of such a high volume of
5 individual customers, the Company anticipates that hosts of large facilities may much
6 prefer commercial and industrial customers and the benefits of large facilities could flow
7 primarily to those customer groups in the event that net metering eligibility were
8 extended to facilities greater than 1 MW in capacity. However, the proposed CICS pilot
9 overcomes those obstacles by utilizing existing customer information and billing systems
10 to efficiently identify and enroll high numbers of residential low-income customers into a
11 shared solar program.

12 **Q. Do the Company's proposed changes to the pilot impact it's estimated cost?**

13 A. Not directly. The cost estimates provided by the Company in its initial filing are
14 unchanged at this time. The Company continues to propose to provide total
15 compensation and credit for surplus solar generation based upon the default energy
16 service rate and compensation for low-moderate income community solar facilities
17 authorized under SB 165. Total compensation and credit for 20 MW of generation
18 participating in the pilot was estimated to be \$38 million in the Company's initial filing.
19 Execution of the pilot is also still expected to require \$1.1 million of billing system
20 changes, total consultant expenses of \$300,000, annual staffing expense of \$250,000
21 for wages and benefits of incremental personnel, and expenses for customer education
22 & outreach. Compensation and credit for surplus generation is proposed to be
23 recovered through the default energy service rate as other net metering credit currently
24 is, while administrative costs are proposed to be recovered through the Distribution Rate

1 Adjustment Mechanism ("DRAM") proposed in the Company's pending base distribution
2 rate case or a distribution rate adjustment approved through another specific
3 proceeding. The estimated bill impacts associated with recovery of these costs is
4 provided as Exhibit CICS-7.

5 **Q. What costs has the Company incurred for development of the proposed pilot to**
6 **date?**

7 A. The Company has incurred \$27,508 for consulting services to support development of
8 the pilot design and associated evaluation, measurement & verification plan. The
9 Company has also recorded \$5,952 of labor expense associated with incremental staff
10 hired by Eversource to support successful development and implementation of customer
11 solar programs. Labor expense charged to the pilot is directly based on time spent by
12 staff supporting the development and review of the proposed pilot. Costs incurred to
13 date have been deferred by the Company and not yet included in any amounts
14 recovered from customers.

15 **Q. Could the Company's proposed changes impact administration of the pilot?**

16 A. They could. Implementation of the pilot is expected to require manual payment
17 processing for each participating facility. The large net metering facilities that would be
18 eligible for the pilot require an interval meter that must be billed through the New
19 Hampshire Large Power Billing system (NHLPB). NHLPB operates through a partially
20 automated process in conjunction with C2. A maximum facility size of 1 MW means that
21 a higher volume of individual facilities may participate in the 20 MW pilot and all will
22 require complete manual billing support. The Company presently supports manual
23 billing and payment processing activity for 38 large net metering facilities with a limited

1 staff. Implementation of the pilot could cause a more than a 50 percent increase in that
2 volume and have a correlating impact on staffing requirements. The Company has not
3 revised its staffing cost estimates at this time, but successful implementation of the
4 proposed pilot and resulting delivery of benefits to NH EAP customers requires
5 appropriate staffing both to manage the overall implementation of the pilot and process
6 payments and credits for participants. The Company is prepared to support the
7 equitable growth of the solar marketplace in New Hampshire, both through the proposed
8 pilot and other net metering mechanisms, but the administration of net metering groups
9 and associated billing activity are positioned to meaningfully expand the Company's
10 administrative obligations. The Company continues to seek the timely recovery of costs
11 incurred to support successful expansion of net metering programs so that it shall not
12 have financial disincentive to support advancement of New Hampshire's energy
13 programs and policies.

14 **Q. Could further changes to participation requirements be made in the Request for**
15 **Proposals ("RFP") for pilot participants before it is issued?**

16 **A.** Yes. The CICS pilot is intended to support the administration of Low-moderate
17 community solar projects as defined in RSA 362-F:2 and Chapter Puc 900 of the New
18 Hampshire Code of Administrative Rules ("900 rules"). The Company recognizes that
19 changes to the 900 rules are currently pending in DRM 19-158 and that RSA 362-F:2 is
20 subject to change through legislative activity. The Company seeks to select projects that
21 meet established criteria for low-moderate community solar projects and would structure
22 the RFP accordingly to restrict the participation of projects that do not meet regulatory
23 and legislative requirements in place at the time the RFP is issued.

1 **Q.** **Does this conclude your testimony?**

2 **A.** **Yes.**