

STATE OF NEW HAMPSHIRE

Inter-Department Communication

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DATE: March 23, 2016

AT (OFFICE): NHPUC

FROM: David K. Wiesner, Staff Attorney *DKW*

SUBJECT: DE 15-271, Examination of Electric Distribution Utility Interconnection and Queue Management Processes for Net-Metered Customer-Generators

TO: Debra A. Howland, Executive Director and Secretary

CC: Karen P. Cramton, Director, Sustainable Energy Division
Elizabeth R. Nixon, Energy Analyst

Enclosed for filing with this memorandum is a revised version of the Net Metering Program Capacity Allocation Procedures, prepared by Commission Staff, which incorporates the modifications directed to be made by the Commission in its order issued on March 22, 2016 in Docket No. DE 15-271.

A copy of this memorandum and enclosure will be sent to the service list for this docket by electronic mail.

Net Metering Program Capacity Allocation Procedures

The following required procedures for net metering capacity allocation (hereinafter, “allocation”) shall apply to all projects with an existing allocation and to all projects seeking an allocation on or after the effective date of these procedures adopted by [Company Name] (hereinafter, the “Company” or “Utility”).

Projects with an existing allocation as of the effective date of these procedures shall have 30 days following such effective date to demonstrate compliance with all applicable milestones and other requirements otherwise required by these procedures. If a project fails to demonstrate full compliance with all such applicable milestones and requirements within 30 days, its net metering allocation shall be terminated and shall not be reinstated unless and until full compliance has been demonstrated and only if and to the extent that there is available net metering capacity at such time.

The allocation for a project shall be terminated if the project is discontinued or abandoned. The Applicant shall notify the Company in writing within five (5) business days of project discontinuance or abandonment.

Project size for purposes of these procedures is based on the maximum AC inverter rating of an inverter-based generation system or the generator nameplate kW rating of any other generation system. Project size may be decreased following submission of the application with written notice of such decrease provided to the Company.

“Customer” or “Applicant” for purposes of these procedures means a customer of the Company or a customer representative with authority to act on behalf of the customer for the task described. The term “Customer” includes any person or entity who or which has requested or intends to request electric service from the Company as a retail customer. Other capitalized terms used herein shall be as defined in the Company’s Interconnection Standards for Inverters Sized Up to 100 kVA or other applicable interconnection procedures.

Type A Projects.

Projects that are 10 kilowatts or less in generation capacity (hereinafter, “Type A Projects”) shall receive an allocation upon completion of (a), (b), and (c), as set forth below. The project shall retain its allocation so long as the project complies with the applicable “Additional Requirements to Retain Allocation” set forth below.

- (a) Customer filing of a properly completed and signed Simplified Application;
- (b) Customer filing of all necessary supporting documents (e.g., one-line diagram, inverter specification sheets, etc.); and

(c) The Applicant must be a customer in good standing with the interconnecting utility (e.g., the customer must not have been issued any disconnect notices during the preceding 12 months).

Type B Projects.

Projects that are 100kW or less and larger than 10 kW in generation capacity (hereinafter, “Type B Projects”) shall receive an allocation upon completion of (a) through (d), as set forth below. The project shall retain its allocation so long as the project complies with the applicable “Additional Requirements to Retain Allocation” set forth below.

- (a) Customer filing of a properly completed and signed Simplified Application;
- (b) Customer filing of all necessary supporting documents (e.g., one-line diagram, inverter specification sheets, etc.);
- (c) The Applicant must be a customer in good standing with the interconnecting utility (e.g., the customer must not have been issued any disconnect notices during the preceding 12 months); and
- (d) Customer filing of a properly completed and signed Supplemental Review Agreement and company receipt of the required payment, not to exceed \$1,250.

Type C Projects.

Projects that are 1,000 kW or less and larger than 100 kW in generation capacity (hereinafter, “Type C Projects”) shall receive an allocation upon completion of (a) through (f) below. The project may retain its allocation so long as the project complies with the applicable “Additional Requirements to Retain Allocation” set forth below.

- (a) Customer filing of a properly completed and signed Pre-Application and payment of a non-refundable \$500 deposit;
- (b) Customer filing of a properly completed and signed Generator Interconnection Application form and all required supporting documents;
- (c) Customer filing of evidence of site control (e.g., ownership, signed lease, or a letter of intent for a lease if with a governmental entity);
- (d) Customer filing of a properly completed and signed System Impact Study Agreement and payment received by the Company of an amount equal to 100% of the Company-estimated study costs;
- (e) The Applicant must be a customer in good standing with the interconnecting utility (e.g., the customer must not have been issued any disconnect notices during the preceding 12 months); and

(f) For planned group net metering projects, the Applicant shall have submitted to the Company evidence of project-specific group members sufficient for the Company to determine that the total historic annual load of the group members together with the customer-generator exceeds the projected annual output of the customer-generator's facility, which evidence may consist of, but is not limited to, executed power purchase agreements ("PPAs"), other binding agreements between the customer-generator and specific group members, issuance of a group host authorization number by the Public Utilities Commission (but not a provisional host approval issued by the Public Utilities Commission), and/or a description of how the project is being developed in response to a completed request for proposals ("RFP") or other completed bid solicitation process through which a municipality seeks to benefit a set of pre-defined utility accounts owned by the municipality.

Type D Projects.

Projects that are already complete and operational and are owned by eligible customer-generators that plan to commence net metering as a group host pursuant to RSA 362-A:9, XIV, and Puc 909 (hereinafter, "Type D Projects") shall receive an allocation upon issuance of a host registration number by the New Hampshire Public Utilities Commission. The project may retain its allocation so long as the project complies with the applicable "Additional Requirements to Retain Allocation" set forth below.

Additional Requirements to Retain Allocation.

Failure of a project to satisfy any of the applicable additional requirements set forth below shall result in the loss of its allocation. The project shall be granted a new allocation only when it has demonstrated full satisfaction of all necessary conditions, provided that sufficient program capacity is still available at the time of such demonstration, and at that time the deadlines for any future milestones shall be reset with reference to the date of occurrence of the last milestone met, such that the number of days elapsing between such date and each future milestone deadline is equal to the number of days that would have elapsed between the original sequential milestone deadlines.

Type A and B Projects. In order to retain its allocation, a Type A or Type B Project shall:

(1) pay 100% of the estimated utility upgrade costs within 30 days of receiving company approval of the interconnection application (Milestone #1); and

(2) be complete, fully interconnected and operational within 12 months of receiving company approval of the interconnection application (Milestone #2).

"Complete, fully interconnected and operational" includes, but is not limited to, the

submission of any testing and commissioning documents requested by the Company, installation of a utility net meter, and generation of power on a regular, non-test basis.

Type C Projects.

The milestone deadlines set forth below shall be calculated from the first to occur of (i) the date the Company provides the Applicant with an Interconnection Service Agreement which describes the required utility upgrades and costs, or (ii) the date the Company provides the Applicant with the results of its System Impact Study or, if the Company does not provide a formal System Impact Study report, the date on which the Company provides an estimate of utility upgrade costs.

In order to retain its allocation, a Type C Project shall comply with each and all of the following milestones:

Milestone #1. Within 30 days, the Applicant shall have executed and delivered a signed Interconnection Service Agreement and paid a non-refundable deposit in an amount equal to the lesser of either (i) \$50 per kW of capacity, or (ii) 25% of the estimated utility upgrade costs, if any, but not less than \$20 per kW of capacity in any case.

Milestone #2. Within 150 days, the Applicant shall pay the balance of the estimated utility upgrade costs, provided that payment of all or a portion of such balance may be required at any time prior to day 150 if deemed necessary by the Utility to support the project construction schedule.

Milestone #3. Within 180 days, or 300 days for any project greater than 500 kW in capacity size, the Applicant shall submit to the Company a statement attesting that all non-ministerial project permits and approvals have been obtained, in final and non-appealable form, including, but not limited to, any and all federal, state, and local permits and approvals required for construction and operation of the project, with the exception of building and electrical permits.

Milestone #4. Within 270 days, or 390 days for any project greater than 500 kW in capacity size, the Applicant shall submit to the Company copies of issued and effective building and electrical permits, and any other ministerial permits and approvals, related to construction and operation of the project.

Milestone #5. Within 365 days, or 485 days for any project greater than 500 kW in capacity size, the project shall be complete, fully interconnected and

operational, which includes, but is not limited to, the submission of any testing and commissioning documents requested by the Company, the installation of a utility net meter, and the generation of power on a regular, non-test basis.

Projects that are fully constructed and capable of test power operation, but are waiting for final utility interconnection construction as a result of factors beyond their control, shall have this Milestone #5 deadline extended for a reasonable period of time in order to permit such final utility interconnection construction.

Type D projects. In order to retain its allocation, a Type D Project shall complete any metering upgrades required by the Company and the Applicant shall sign a “metering upgrade agreement” and pay 100% of the Utility estimated upgrade costs within 10 days of the issuance date of such cost estimate.

Extensions Based on Force Majeure. The date specified above by which any action or obligation must have been performed or otherwise occurred shall be extended for a reasonable period of time upon written request by the Applicant for such extension, if the failure or inability to meet such deadline is caused by Force Majeure, and provided that no extension shall be granted if the action or obligation involves only the payment of money. The Applicant shall submit a written request for extension not less than three (3) business days prior to the applicable deadline, if possible under the circumstances. “Force Majeure” means an act of God, labor disturbance, act of the public enemy or terrorists, war, invasion, insurrection, riot, fire, flood, extreme weather event, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond the control of the Applicant and its contractors and agents.

Project Wait List.

Once the Company has allocated its full share of the statutory net metering program capacity, projects shall be assigned a waitlist number based on the date that the Applicant has satisfied all of the initial requirements for allocation identified above.

Projects on the waitlist shall be allowed to interconnect and operate with the appropriate metering, subject to all applicable utility requirements and restrictions, but the Company shall not be required to treat exported kWh from such projects as net metered in accordance with Puc 900. Other company-specific terms and conditions for net metering may apply to the exported kWh from such projects, if and to the extent such terms and conditions are adopted and implemented by the Company.

If and when net metering program capacity becomes available, waitlisted projects shall be offered the opportunity to enter the program according to their place on the waitlist and the then current amount of available program capacity.

If the amount of newly available net metering program capacity is less than the project size for the next waitlisted application, the Applicant that submitted such application shall have the option, at its sole election, either (i) to decrease the size of its project to match the amount of available capacity and enter the queue at such decreased capacity amount, or (ii) to wait until the amount of available capacity is equal to or greater than the project size described in its application and enter the queue at such original capacity amount. No project with a lower waitlist position shall be offered any portion of such newly available capacity while the Applicant retains the options described above.

Communication to Applicants.

The Company shall provide notice to the Applicant, and to any designated contact representative, by electronic mail or U.S. mail, of any material changes in the status of an application or the related allocation, including, but not limited to, the following matters:

- (1) Receipt of the application by the Company;
- (2) Completeness of the application or the need for further information to complete it;
- (3) Approval of a capacity allocation for the Applicant;
- (4) Placement of the application on the program waitlist;
- (5) Availability of an amount of queue capacity for a waitlisted application;
- (6) Loss of a capacity allocation due to failure to meet an applicable milestone; and
- (7) Adoption and initial implementation of these procedures, and of any subsequent amendment or modification of these procedures, and the time within which the Applicant must achieve full compliance with the requirements of these procedures or any such subsequent amendments or modifications.

Capacity Allocation Status Tracking and Reporting.

The Company shall maintain and post on a public website a simple spreadsheet, to be updated at least once each week, that provides the following aggregated information for each project category:

- (a) Net metering projects installed and interconnected (number and kW);
- (b) Net metering projects granted a capacity allocation (Queue) (number and kW); and
- (c) Proposed net metering projects that would be granted a capacity allocation if and when sufficient program capacity becomes available (Waitlist) (number and kW).

Dispute Resolution.

In the event that a good faith dispute arises regarding the interpretation or application of these procedures, the Company and the Applicant shall first attempt to resolve such dispute through direct communications and informal procedures. If the dispute cannot be resolved through such means, then

either the Company or the Applicant may file a complaint with the Commission pursuant to the provisions of N.H. Code Admin. Rules Puc 204.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**

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EXECUTIVE DIRECTOR
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21 S. FRUIT ST, SUITE 10
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- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**

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