



The State of New Hampshire
Department of Environmental Services



Robert R. Scott, Commissioner

January 9, 2018

The Honorable Kevin Avard
Chair, Senate Energy and Natural Resources Committee
State House, Room 103
Concord, New Hampshire 03301

Re: Senate Bill 321, relative to group-host net energy metering

Dear Chair Avard and Members of the Committee:

Thank you for the opportunity to comment on Senate Bill 321 (SB 321), relative to group-host net-energy metering. This bill removes the requirement in RSA 362-A:9, XIV (a) that net-energy-metering group customers, other than the host, be default service customers of their electric distribution utility. As clean renewable energy supports our mission of fostering a clean environment, the New Hampshire Department of Environmental Services (NHDES) supports this bill.

The existing statutory language in RSA 362-A:9, XIV (a) regarding net-metering requires that the host as well as all group members be default service customers of the same electric distribution utility. By removing the requirement that group members be default service customers, SB 321 allows potential group members, including municipalities, to remain with a competitive supplier. Competitive suppliers often offer lower energy supply rates than the distribution utilities. As this bill would eliminate the need for electricity customers to choose between a competitive supply option and joining a net energy metering group, this bill may expand the number of New Hampshire residents, businesses, and municipalities, who are eligible to participate in group net-metering. This will enable greater investment in clean renewable distributed energy generation, which will improve environmental quality and reduce greenhouse gas emissions.

The intent of group net-metering is to allow customer generators, whose project sites' offer more renewable-energy-generation capacity than they can utilize, to become group hosts and share some of that resource with other customers of the same electric distribution utility. This arrangement is advantageous to the New Hampshire customers who may face physical or financial barriers that prevent or limit their own direct investment in renewable projects.

Both physical site limitations, as well as financial considerations create barriers to investment in renewable energy. Physical barriers that preclude renewable project siting include:

- About 75% of residential rooftop area in America is not suitable for hosting a solar system due to structural constraints, shading from trees, and other issues;¹

¹ Denholm, P. and Margolis, R. (2008). *Supply Curves for Rooftop Solar PV-Generated Electricity for the United States*, National Renewable Energy Laboratory, <https://www.nrel.gov/docs/fy09osti/44073.pdf>.

- More than 50% of US residents live in multi-unit buildings or homes with shared roofs; and
- Renters have difficulty participating in rooftop solar as they may not be able to make long-term infrastructure investments (~ 30% of NH residents rent their homes).²

The physical barriers may be compounded by a variety of financial barriers such as:

- Upfront capital costs;
- Poor credit or no credit history; and
- Inability to take advantage of federal tax credits (*i.e.*, low income customers may not have adequate or any tax liability).³

By entering into a group net-metering agreement, a customer generator and group members can overcome their individual barriers by sharing the benefits of single project site as well as by sharing the upfront costs. However, the current language in RSA 362-A:9, XIV (a) adds another barrier to group-net-metering participation by preventing those customers who have elected to utilize a competitive supplier from participating. SB 321 removes this conflict and enables electricity consumers to pursue a multi-pronged approach to managing their electric rates and total costs. By doing so, a larger portion of the state's customers are eligible to participate. This would be a well-timed change as the PUC eliminated the cap on net-metering and ruled on compensation rates for new net-metered energy systems in PUC Order 26,029.⁴ With these decisions complete and with the upfront costs of renewable projects continuing to fall, the door to investment in clean renewable energy is opening further.

Thank you again for the opportunity to comment on SB 321. If you have any questions or require further information, please contact either Chris Skoglund, Climate and Energy Program Manager, (Christopher.Skoglund@des.nh.gov, 271-7624) or Rebecca Ohler, Administrator, Technical Services Bureau (Rebecca.Ohler@des.nh.gov, 271-6749).

Sincerely,



Robert R. Scott
Commissioner

cc: Sponsors of SB 321: Senators Giuda, Feltes, Sanborn, Lasky; Representative McConnell

² Santiago-Mosier, Melanie (2017). Low-Income Solar Workshop Presentation, New Hampshire PUC Low-Moderate Income Program Working Group, November 15, 2017.

³ Santiago-Mosier, Melanie (2017). Low-Income Solar Workshop Presentation, New Hampshire PUC Low-Moderate Income Program Working Group, November 15, 2017.

⁴ NH Public Utilities Commission (2017). *ORDER NO. 26,029 Order Accepting Settlement Provisions, Resolving Settlement Issues, and Adopting a New Alternative Net Metering Tariff, DE 16-576 Development of New Alternative Net Metering Tariffs and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators*, June 23, 2017, <http://www.puc.state.nh.us/Regulatory/Orders/2017orders/26029e.pdf>.