

August 23, 2024

## **Statement on Net Metering Docket**

### *New Hampshire has an Opportunity to Lead in Local Power Markets*

## Summary

This week, the Public Utilities Commission (PUC) held hearings in [Docket No. DE 22-060](#), Consideration of Changes to the Current Net Metering Tariff Structure, Including Compensation of Customer-Generators. This proceeding is meant to address what the compensation structure for local power producers and energy resources in New Hampshire should be going forward.

CPCNH is proposing to improve compensation to local power producers by aligning it with the actual value that they create through the following reforms:

- Include actual avoided cost values for transmission and generation capacity.
- Maintain a 20-year term for new projects so they can get the financing they need.
- Maximize the benefits of the local energy market by enabling energy storage to be interconnected as part of net metering facilities.
- Implement improvements to the load settlement processes to accurately recognize and account for the value of local energy resources and power producers, including compensation for avoiding expensive transmission charges, among other benefits.
- Enable time-of-use rates for net metering customers where practicable and feasible.
- Make these new changes to net metering optional for current net metered generators.

New Hampshire communities should not have to wait an additional 2, 3, or 5+ years to realize the full value of local power producers. These reforms will send a clear signal to optimize investment in a way that will deliver benefits to all New Hampshire electric ratepayers through reduced capacity and transmission costs. By extension, these reforms will also create a pathway to allow locally produced energy to serve Community Power programs across the Granite State.

Members are welcome and encouraged to weigh in with comments on the docket (see below/attached for comment template), and are invited to draw from the following suggested messages:

- We support the proposed settlement agreement as modified by CPCNH's recommendations.
- We support enabling net metered customers to participate in their Community Power programs and request that the improvements to load settlement be implemented to enable this.
- Customer generators > 100 kW should be compensated for avoided transmission costs, capacity costs, and other benefits they create.
- Battery storage should be enabled through this proceeding to maximize the value of local energy resources in New Hampshire

## What Issues and Questions Does the PUC Seek to Address?

At the direction of the Legislature, and in consideration of New Hampshire's Value of Distributed Energy Resources (VDER) study and the steady growth in distributed energy across the state, the PUC opened this proceeding to address several issues and questions, including:

- What changes, if any, should be made to net metering with a focus on maximizing net benefits and minimizing costs shifting from customer generators to other customers or vice versa.
- Whether customer generators should be compensated for services and value currently not compensated, such as avoided transmission, distribution, and capacity costs.
- Alternative rate structures, including time-based tariffs.
- Whether new net metering tariffs apply to projects larger than one megawatt in generating capacity (which projects are generally currently ineligible for net metering).
- Whether the cost of compliance with the electric renewable portfolio standard in RSA chapter 362-F should be excluded from the monetary credit for exports to the grid.

The PUC is not expected to issue an order resolving this docket until November 2024.

## CPCNH Proposal for Making NH a Leader in Local Energy Markets

New Hampshire has an opportunity to be a leader in developing an efficient local energy marketplace for community generators, battery storage, and other innovative energy technologies. To realize this innovative local power market, adjustments are necessary so that local producers can supply energy as an alternative and an offset to wholesale power and be more accurately compensated for their value.

Flaws in the current system are also blocking local power producers from participating in their Community Power programs. CPCNH's proposal would enable net metering customers to participate in their Community Power program by providing electricity to their Community Power portfolio and be compensated accordingly. CPCNH's position is summarized as follows:

### **Compensate local power producers for the actual value they provide to the grid. Enable time-based price signals for local power producers.**

- Locally produced power offsets the need to transmit power over long distances from far away power plants, thereby avoiding expensive transmission charges (among other costs).
- Local power producers are not currently fairly compensated for their full value, including the benefits of avoiding transmission and capacity costs.
- More accurate compensation for customer generators will create greater value for NH's electric system while increasing compensation for local power producers.

### **Enable energy storage to participate in net metering to maximize benefits.**

- The way to maximize value from local power producers is to incentivize them to provide power at times of high demand and high cost, when that power is most valuable, and to compensate them accordingly.

- Enabling storage can make local power producers more dispatchable, such that they can provide power when it is most needed, creating greater benefits for the energy system.

#### **Modernize and improve load settlement.**

- Local power production (exports to the grid by customer generators) should be accounted for as load reduction (an offset to wholesale energy purchase obligations).
- When power is produced locally, it physically offsets and reduces the amount of power that must be purchased in the wholesale market. This physical reality should be recognized in load settlement practices.
- Load settlement practices (calculations to match up wholesale purchases with retail consumption and production) should be modernized to accurately account for the value of local energy resources and power producers.

#### **Exclude the cost of compliance with New Hampshire's Renewable Portfolio Standard from the monetary credit to local power producers for exports to the grid.**

- The costs for the Renewable Portfolio Standard (RPS) are recovered through the use of energy, not the production of energy. While this is a small component, its removal sends a more accurate price signal.

#### **Enable Time-of-Use rates for net metering where practicably feasible.**

## **The Market Should have Access to the Same Opportunities as Utilities**

The Legislature directed the PUC to make certain determinations in this docket, including whether large net metering customer-generators should get credit for avoided transmission costs. CPCNH argues the answer is "yes!" These benefits have been used to justify the investment in current and proposed utility projects. See for example: [Liberty Utilities home-battery time-of-use pilot](#); [Unitil 5 MW Solar Tracker](#); [Eversource proposed Westmoreland battery project](#) (which did not come to fruition).

Utilities are proposing and developing distributed energy projects that realize the value of avoided transmission and load reduction. CPCNH is making the case that market actors, Community Power programs, and others should be allowed to realize the same value stack for market-based projects that utilities are able to realize.

The value of avoided transmission costs will amount to nearly half of the value of distributed energy going forward. It is particularly important to start compensating local power producers, batteries, the market for this and other benefits. CPCNH is proposing that new projects, for example, after 1/1/25, could transition to credit for avoided transmission costs or to time-of-use rates.

## Additional Reading

For additional materials see NHPUC Docket No. DE 22-060:

<https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-060.html>

- Tab 63 – CPCNH Direct Testimony
- Tab 69 – CPCNH Rebuttal Testimony
- Tab 100 – CPCNH position statement for recommendations at hearing
- [CPCNH Net Metering Load Settlement Office Hour](#)

## Comment Template

### Recipients:

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**Subject Line:** Support for CPCNH Proposal in Net Metering Docket (PUC Docket DE 22-060)

### Email Text:

*(COPY and PASTE the following into the body of your email)*

Governor Sununu,

(cc: NH-PUC, NH-DOE)

I recently learned that the NH Public Utilities Commission will soon issue an Order concerning PUC Docket DE 22-060 on Changes to the Current Net Metering Tariff Structure. I understand a Settlement Agreement has been filed by several parties in addition to other proposals offered by the Community Power Coalition and the NH Department of Energy.

**I urge the PUC to accept this Settlement Agreement with the proposed modifications by the Community Power Coalition of New Hampshire.** *[Insert a sentence or two about why you care, e.g., to enable net metering customers to participate in their Community Power programs... to make New Hampshire a leader in innovative local energy markets]*

I am copying the PUC Clerk on this email so that my concern and support for the Settlement Agreement will be entered into the docket as a public comment.

Sincerely,

NAME / TOWN of RESIDENCE