

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 12-127

RESIDENTIAL RENEWABLE ENERGY GENERATION INCENTIVE PROGRAM

**Modification of Incentive Payment for
Small Residential Renewable Generation Facilities**

ORDER OF NOTICE

On October 2, 2009, the Commission issued Order No. 25,020 which established a two-step process whereby qualified owners of small residential renewable generation facilities could apply for incentive payments pursuant to RSA 362-F:10, V. The statute requires the Commission to provide a one-time incentive payment to a residential owner of a small renewable electrical generation facility. Such facilities typically use photovoltaic (PV) panels or small wind turbines and must have a capacity of less than five kilowatts (kW). The incentive payments are funded through the Renewable Energy Fund (REF), which is supported by alternative compliance payments (ACPs) made by electric service providers who cannot meet their Renewable Portfolio Standard (RPS) obligations through the purchase of Renewable Energy Certificates (RECs).

As initially enacted, RSA 362-F:10, V fixed the incentive payments at \$3.00 per watt of generation capacity, up to a maximum payment of \$6,000 or 50% of the system's costs, whichever is less. The statute set no limit, however, on overall spending from the REF to support the incentive program. In 2010, the New Hampshire General Court approved HB 1270 which amended RSA 362-F in several respects. First, HB 1270 requires the Commission, beginning July 1, 2010, to reasonably balance overall expenditures from the REF between residential and non-residential sectors based on the proportion of electricity sold at retail to each

sector. RSA 362-F:10, X. In addition, HB 1270 limits overall funding from the REF for the small residential renewable generation incentive program “to a maximum aggregate payment of 40 percent of the fund over each 2-year period commencing July 1, 2010.” RSA 362-F:10, VI. Finally, HB 1270 authorizes the Commission “[f]or good cause . . . after notice and hearing, by order or rule, [to] modify the program, including reducing the incentive level, created under RSA 362-F:10,V.” RSA 362-F:10, IX.

In response to the various requirements of HB 1270, the Commission opened a proceeding (Docket No. DE 10-194) in 2010 to take comment on a proposal to modify payment levels for the residential renewable generation incentive program. At the conclusion of that proceeding, the Commission reduced the incentive payment to address the funding limit imposed by the new law and because funds available for the residential renewable generation incentive program were, at that time, depleted. *See*, Order No. 25,144 (September 14, 2010).

<http://www.puc.nh.gov/Regulatory/Orders/2010orders/25144e.pdf>.

On September 30, 2011, the Commission approved a budget of \$927,964 for the residential renewable generation program for the remainder of state fiscal year 2012 (ending on June 30, 2012). On March 26, 2012, Commission Staff filed a memorandum with the Commission which stated that the balance of unobligated funds dedicated to the incentive program was below \$50,000. Staff recommended that once the balance of unobligated funds approached \$10,000, the Commission suspend the issuance of incentive payments and establish a waiting list for new applications for the residential renewable energy incentive program. The Commission, on March 27, 2012, issued a Secretarial Letter which determined that it was appropriate to create a waiting list. In the letter, the Commission reiterated that applications received prior to the time that the funds available for the residential renewable incentive program

approached \$10,000 would receive rebate payments, and those received after such time would be placed on a waiting list, from which payments would be made on a first-come first-served basis when new funds became available.

Based on the continued broad interest in the residential renewable incentive program and in consideration of assuring that there are available REF monies to support participation in the program, the Commission proposes to reduce the incentive payment from the current level of \$1.25 per watt to \$0.75 per watt and to reduce the per-system maximum from \$4,500 to \$3,000 or 50% of the total system cost, whichever is less. A hearing is scheduled for June 7, 2012 at 1:30 to take public comment on the proposed modification. Written comment may be submitted to Executive.Director@puc.nh.gov until June 14, 2012.

Subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2012/12-127.html>.

The filing raises, *inter alia*, issues related to whether the proposed reduction in the residential renewable facility incentive payment is consistent with RSA 362-F:10, IX, whether it is appropriate to reduce the incentive payment; whether the reduced incentive would constitute a sufficient impetus for the installation of residential renewable facilities; and whether the reduction is just and reasonable and in the public interest. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a hearing to receive public comment on the proposal to reduce the residential renewable energy incentive payment be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 7, 2012 at 1:30; and it is

FURTHER ORDERED that the Commission will receive written comment from interested parties on the proposed modification through June 14, 2012; and it is

FURTHER ORDERED that, pursuant to N.H. Code Admin. Rules Puc 203.12, the Executive Director shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than May 21, 2012, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before June 7, 2012; and it is

By order of the Public Utilities Commission of New Hampshire this sixteenth day of May, 2012.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.