Energy and Natural Resources
March 15, 2022
2022-1109s
10/05

Amendment to SB 262

Amend the bill by replacing all after the enacting clause with the following:

1 Limited Electrical Energy Producers Act; Definition; Customer Generator. Amend RSA 362-A:1-a, II-b to read as follows:

II-b. "Eligible customer-generator" or "customer-generator" means an electric utility customer who owns, operates, or purchases power from an electrical generating facility either powered by renewable energy or which employs a heat led combined heat and power system, with a total peak generating capacity of up to and including one megawatt ***or 125 percent of the customer's average electric consumption over the past 12 months if greater than one megawatt but less than 5 megawatts***, except as provided for a municipal host as defined in paragraph II-c, [~~that is located behind a retail meter on the customer's premises,~~] ***provided it*** is interconnected and operates in parallel with the electric grid, and is used to offset the customer's own electricity requirements. Incremental generation added to an existing generation facility, that does not itself qualify for net metering, shall qualify if such incremental generation meets the qualifications of this paragraph and is metered separately from the nonqualifying facility. ***The term small generator shall apply to a customer-generator whose facility has a total maximum generating capacity of not more than 500 kilowatts alternating current, and the term large customer-generator shall apply to a customer-generator whose facility has a total maximum generating capacity greater than 500 kilowatts alternating current up to 5 megawatts for a single customer account or municipality.***

2 Net Energy Metering; Apportionment. Amend RSA 362-A:9, I to read as follows:

I. Standard tariffs providing for net energy metering shall be made available to eligible customer-generators by each electric distribution utility in conformance with net metering rules adopted and orders issued by the commission. Each net energy metering tariff shall be identical, with respect to rates, rate structure, and charges, to the tariff under which a customer-generator would otherwise take default generation supply service from the distribution utility. [~~Such tariffs shall be available on a first-come, first-served basis within each electric utility service area under the jurisdiction of the commission until such time as the total rated generating capacity owned or operated by eligible customer-generators totals a number equal to 100 megawatts, with 50 megawatts of the 100 megawatts allocated to the 4 electric distribution utilities that were subject to the commission's jurisdiction in 2010 multiplied by each such utility's percentage share of the total 2010 annual coincident peak energy demand distributed by those 4 utilities, and 50 megawatts of~~

~~the 100 megawatts allocated to the state's 3 investor-owned electric distribution utilities, multiplied by each such utility's percentage share of the total 2010 annual coincident peak energy demand distributed by those 3 utilities, all to be determined by the commission and to be utilized by eligible customer-generators located within each such utilities' service territory. Eighty percent of each utility's share of the 50 megawatts shall be apportioned to facilities with a total generating capacity of not more than 100 kilowatts and 20 percent to facilities with a total generating capacity in excess of 100 kilowatts, but no greater than one megawatt. The 50 megawatts of capacity shall be made available to eligible customer-generators until such time as commission approved alternative net metering tariffs approved by the commission become available. No more than 4 megawatts of such total rated generating capacity shall be from a combined heat and power system as defined in RSA 362-A:1-a, I-d.~~]

3 Net Energy Metering; Accounting. Amend RSA 362-A:9, II to read as follows:

II. Competitive electricity suppliers registered under RSA 374-F:7 and municipal or county aggregators under RSA 53-E may determine the terms, conditions, and prices under which they agree to provide generation supply to and credit, as an offset to supply, or purchase the generation output exported to the distribution grid from eligible customer-generators. The commission may require appropriate disclosure of such terms, conditions, and prices or credits. Such output shall be accounted for as a reduction to the customer-generators' electricity supplier's wholesale load obligation for energy supply as a load [~~service~~] ***serving*** entity, net of any applicable line loss adjustments, as approved by the commission. Nothing in this paragraph shall be construed as limiting or otherwise interfering with the provisions or authority for municipal or county aggregators under RSA 53-E, including, but not limited to, the terms and conditions for net metering.

4 Net Energy Metering; Application. Amend RSA 362-A:9, IV(b) to read as follows:

(b) For facilities with a total peak generating capacity of more than [~~100 kilowatts~~] ***500 kilowatts***, ***but not more than 5 megawatts,*** the customer-generator shall pay all applicable charges on all kilowatt hours supplied to the customer over the electric distribution system, less a credit on default service charges equal to the metered energy generated by the customer-generator and fed into the electric distribution system over a billing period.

5 New Paragraph; Net Energy Metering; On-site Consumption. Amend RSA 362-A:9 by inserting after paragraph IV the following new paragraph:

IV-a.(a) Facilities eligible for the net metering tariff under this section for customer generators larger than 100 kilowatts and up to one megawatt with an in-service date after January 1, 2022 and not acting as a group net metering host, must consume at least 20 percent of the generation on site, on an annual basis.

(b) On-site consumption requirements under this section shall not apply to low and moderate income customers as defined in administrative rules of the public utilities commission in PUC 902.21.

6 Net Energy Metering; Group Host Requirements. Amend RSA 362-A:9, XIV(a) to read as follows:

XIV.(a) A customer-generator may elect to become a group host for the purpose of reducing or otherwise controlling the energy costs of a group of customers [~~who are not customer-generators~~]. The group of customers shall be located within the service territory of the same electric distribution utility as the host. The host shall provide a list of the group members to the commission and the electric distribution utility and shall certify that all members of the group have executed an agreement with the host regarding the utilization of kilowatt hours produced by the eligible facility and that the total historic annual load of the group members together with the host exceeds the projected annual output of the host's facility. The department shall verify that these group requirements have been met and shall register the group host. The department shall establish the process for registering hosts, including periodic re-registration, and the process by which changes in membership are allowed and administered. Net metering tariffs under this section shall not be made available to a customer-generator group host until such host is registered by the department.

7 Findings; Distributed Energy Resources. Customer-owned distributed energy resources (DERs) that connect to the distribution grid can provide a beneficial hedge against volatile electricity prices and stimulate investment and employment in the state economy. Because DERs frequently utilize clean, renewable energy sources, they can reduce air pollution and greenhouse gas emissions to benefit public health and environmental quality. For these reasons, the general court finds it is in the public interest to stimulate the deployment of DERs in New Hampshire and eliminate unreasonable barriers thereto.

8 New Paragraph; Distributed Energy Resources; Hosting Capacity Maps. Amend RSA 362-A:9 by inserting after paragraph XXI the following new paragraph:

XXII. No later than January 1, 2023, the electric distribution utilities shall publish on their websites a hosting capacity map showing the estimated maximum amount of distributed generation that can be accommodated on the distribution system at a given location under existing grid conditions and operations, without adversely impacting safety, power quality, reliability, or other operational criteria, and without requiring significant infrastructure upgrades. The maps shall provide relevant electrical information regarding the circuit and affiliated substation for each location, including interconnected and queued distributed generation, and shall be updated regularly.

9 Department of Energy; Customer-generator Interconnection; Department Investigation; Report.

I. Within 90 days of the effective date of this section, the department of energy shall initiate a proceeding to investigate modification of the rules of the public utilities commission in PUC 903.01(e) to ensure cost-effective, predictable, and timely interconnection procedures for customer generators to the state's electric distribution system. In so doing, the department shall consult with electric distribution utilities, distributed generation project developers, and any person or entity the department deems relevant to its study.

II. The department's investigative proceeding shall examine and make specific recommendations concerning the following:

(a) How to create transparent, consistent and reasonable engineering standards for interconnection, with special consideration given to established best practices used by other states as set forth in the Interstate Renewable Energy Council's (IREC) 2019 Model Interconnection Procedures.

(b) How to ensure timely, consistent, and reasonably-priced interconnection studies.

(c) How to ensure just and reasonable pricing of grid modernization upgrades mandated by the distribution utility for interconnection of distributed energy resources, including transparency and consistency in pricing guidelines and appropriate cost-sharing among parties benefitting from such upgrades.

(d) How to ensure distribution system upgrades paid for by customer-generators are not claimed as part of the utility rate-base.

(e) Whether it is appropriate to establish an "Interconnection Working Group" convened at the department of energy to regularly assess if interconnection standards need modification.

(f) Any other topic the department reasonably believes it should consider in order to diligently conduct the proceeding.

III. The department shall report its findings and recommendations to the standing committees of the house of representatives and senate with jurisdiction over energy and utility matters no later than one year after initiating the proceeding. The report shall identify ways any recommended statutory changes can reduce barriers to cost-effective, predictable, and timely interconnection of distributed energy resources to the state's electric distribution system.

10 Effective Date. This act shall take effect 60 days after its passage.

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AMENDED ANALYSIS

This bill modifies the definition of an eligible customer generator of electric energy under the limited electrical energy producers act, changes the apportionment of net energy metering capacity eligibility, requires electric utilities to publish on their websites a hosting capacity map, and requires the department of energy to investigate and report on customer-generator interconnection procedures.