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April 23, 2015

Net Metering and Solar Task Force
Attn: Co-Chairs Angela O'Connor and Daniel Burgess
RE: Response for Information Request

Dear Ms. O'Connor and Mr. Burgess:

Eversource is pleased to provide the following responses to questions relating to the data analysis provided in response to Chair O'Connor's April 2nd request for information and has attached a revised estimate of total solar net metering and solar RPS costs.

Have you included in your analysis a consideration of the SREC I and SREC II compliance exemptions provided in 225 CMR 14.07(2)(a)4 through 5 and 225 CMR 14.07(3)(b)?

We did not consider SREC I and SREC II compliance exemptions in our analysis. The impact of these exemptions has been estimated in the revised analysis provided with this response and results in less than a 3% reduction in Solar RPS costs over the forecast period.

Have you included in your analysis a consideration of avoided Class I compliance costs that occur as a result of higher SREC I and SREC II obligations?

We did not consider the displacement of lower cost Class I certificate obligations as a result of SREC I and SREC II obligations as it is not relevant to the analysis. Eversource provided the estimate of total Solar net metering and Solar RPS costs for our customers. Our analysis did not seek to quantify other costs or benefits associated with the solar program relative to other renewable policy choices. Such cost/benefit analysis is being performed by the Consultant.

The estimated average SREC costs seem to indicate that you expect the SREC I and SREC II markets to be undersupplied from 2017-2020. Is this a correct interpretation and as an alternative, would a range of SREC prices be feasible?

We do not have any expectations as to whether the SREC I and SREC II markets will be undersupplied or oversupplied and we did not attempt to forecast SREC prices. Cost estimates are based on recent market pricing of 2014-2016 SRECs and the average of the net auction price and the ACP rate in each year from 2017-2020.

It would certainly be feasible to generate several estimates based on a range of prices. We would expect our estimates from 2017-2020 would be an approximate midpoint of the likely range of estimates.

Eversource can further update its analysis with the Task Force consultant's projections of solar RPS compliance obligations and SREC prices once they are available and have been reviewed by the Task Force.

Can you clarify that you have included all load served to distribution customers in your analysis of SREC compliance costs and not just the load you serve to basic service customers, on which your compliance obligations are based?

That's correct, we estimated the costs paid by all customers through delivery and generation rates to support solar net metering and comply with solar RPS requirements.

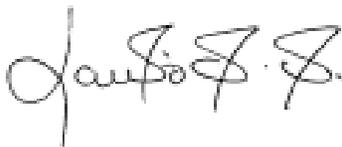
Can Eversource define the distinction between "Displaced Load" and "System Load Reduction" and explain why the former is counted as a cost to customers?

Displaced Load refers to consumption that is directly offset by onsite generation. Displaced load results in neither a load obligation nor settlement of excess generation. Displaced load does result in a reduction in revenue collected through transmission and distribution charges and all reconciling rate mechanisms ("rate trackers"), which is then recovered from remaining customers through the net metering recovery surcharge or revenue decoupling mechanism and increases to other rate trackers. Our analysis accounts for this cost by multiplying displaced load by the transmission and distribution rate components including all applicable reconciling rates.

System Load Reduction refers to onsite generation that exceeds onsite consumption. This excess generation is not explicitly reported to ISO-NE for wholesale settlement. For the purposes of this analysis, the Company assumes this generation results in a reduction to wholesale load obligations that is spread amongst all customers.

Please let us know if there are any additional questions on the analysis

Kind Regards,

A handwritten signature in black ink, appearing to read "Camilo Serna". The signature is stylized and cursive.

Camilo Serna