Eversource Low Income Community Shared Solar Proposal

Eversource provides this addendum as a straw proposal for further discussion with the DOER, DPU, the solar industry and low-income stakeholders. As DOER is aware, the current method of supporting low income community shared solar projects has proven ineffective under the SMART program and results to date suggest that pursuing other approaches to serving low income customers is warranted.

Under the current project paradigm, developers have reported issues identifying and contracting with qualifying low-income customers. Low income project developers have described challenges explaining the complicated arrangement of providing customers with bill credits that will offset utility charges while simultaneously paying project owners via a separate bill. In addition to challenges related to identifying and contracting with low income customers, low income advocates have noted that access to technology and banking services may prevent many of the neediest utility customers from participating in low income community shared solar projects. Concerns have also been raised that the current project development model, which can require customers to sign complicated contracts, opens the possibility for less scrupulous market actors to take advantage of low-income customers.

Recognizing these challenges, Eversource is proposing that DOER provide the EDCs with the capability to implement low income community shared solar models that are structured to overcome the issues discussed above. The model proposed here has been informed by Eversource's work with the City of Newton and local CAP agencies to launch and support that City's highly successful low-income solar efforts. Additionally, Eversource has a proposal to implement a similar program before the New Hampshire Public Utilities Commission.

The core of the proposal is the elimination of contracts between low income CSS participants and third-party developers and the direct allocation of benefits to qualifying customers. This approach greatly simplifies customer acquisition for developers while entirely eliminating a developer's risk of non-repayment from their credit allocatees. The approach also seeks to efficiently utilize existing distribution company capabilities and resources to advance low income participation objectives.

Under the proposed model, Eversource would conduct an annual solicitation for projects to receive low income bill credit allocation services. Winning bidders would have Eversource identify qualifying low-income customers on their behalf using the company's customer database that allows for easy identification of R-2/R-4 customers. Eversource would then, on a monthly basis, allocate a portion of the projects total AOBCs or other incentives directly to the bills of identified low income customers. Those customers would receive benefits free of charge on an opt-out basis. The portion of the project's AOBCs or other incentives that are not allocated directly to customers would be provided to developers as a direct payment.

The annual procurement would select projects based on the relative benefit they provide to the low-income customers served by the project compared to the amount retained by the developer. The competitive nature of this proposal ensures that the maximum amount of the overall solar incentives is provided directly to participating customers.

Customers benefitting from the program could be selected in various ways. Under the New Hampshire proposal, it's expected all customers enrolled in the state's low-income energy assistance program within a specific geography around a selected solar project would receive the bill credit benefit. The boundaries of that geography will be chosen to provide a targeted level of bill credit per customer (proposed at between $5 and $20 monthly). Other customer participation models could be considered that ensure historically underserved communities could participate in the program even if they may not have adequate solar sites.

Projects qualifying for the program would receive the standard incentives provided to all similar qualified low-income CSS projects.[1] In order to facilitate rapid deployment of this model for the benefit of low-income customers, Eversource would propose allowing relatively mature projects to participate in early solicitations.

In order to operationalize this project development model under the SMART program, several regulatory and/or tariff changes would need to be made including:

- Providing the EDCs with the authority to run annual procurements for low income community shared solar projects and establishing solicitation capacity limits. Eversource would also be open to models in which the DOER was a partner in the procurement process.
- Providing the EDCs with the ability to pay a portion of a projects AOBCs or other incentives to customers in the form of bill credits while allowing for the direct payment of the remaining AOBCs or other incentives to developers for selected projects.

Eversource would welcome the opportunity to discuss this proposal in greater detail with DOER and further recognizes that a robust stakeholder process would assist in ensuring that the proposed program is structured to address a broad range of community perspectives and effectively aligns program design with the capabilities of existing resources and systems.

[1] Given the efficiencies the program will create, the DOER may wish to consider whether the program can cost effectively serve low-income customers at lower incentive levels leading to savings for all ratepayers.