

Net Energy Metering Frequently Asked Questions February 6, 2024

Net metered customers are encouraged to call 1-866-603-7697 (POWR) or email <u>Info@CommunityPowerNH.gov</u> to verify they have been properly identified in data provided by utilities. Please have your account number handy when reaching out.

Does CPCNH Serve Net Metered Customers?

COMMUNITY

POWER COALITION

OF NEW HAMPSHIRE

For communities, by communities.

Our Community Power programs are committed to supporting the growth of local renewable energy sited at the customer level. Unfortunately, at present we are unable to properly serve and credit net metered customers for their excess generation, and as a result, we recommend that these customers <u>remain on their distribution utility's default energy service</u>.

There are two factors that must be resolved in order for Community Power to be able to properly serve net metered customers and to offer additional innovative energy services:

- 1. Distribution utilities must share information on the net amount of power that is exported to the grid by a net metering customer, for example, over a monthly billing period.
- 2. Distribution utilities must properly account for net exports from net metered customers as "load reduction," that is, an offset to the amount of power we are obligated to purchase in the ISO New England wholesale market.

Without resolution on these two issues, Community Power cannot (1) properly credit net metered customers for their net exports; nor (2) accurately realize the value of sourcing power locally from within the community without having to purchase that power twice (once from the net metered customer, and a second time in the ISO New England wholesale market).

CPCNH is committed to providing our communities with choice and will offer net metering programs as soon as we can. Locally generated power can offset other costs that are part of our customers' electric bills, especially if that power is generated at times of peak electricity usage, benefiting everyone.

We are working hard with distribution utilities and state regulators to resolve obstacles preventing us from properly serving net metering customers. Once they are resolved, CPCNH will offer net metering rates and terms to compensate customers for their net metered surplus generation. We look forward to extending service to net metered customers in the near future and offering additional innovative rates and services to benefit our communities.

I am a Net Metered (NEM) customer. Will I be automatically enrolled in Community Power?

CPCNH will not automatically enroll customers that have been identified as a net metering customer by the distribution utility.

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We rely on the distribution utilities to identify which customers are net metered so we can exclude them from enrollment. In some instances, net metering customers have not been "flagged" by the utilities resulting in inadvertent enrollment with CPCNH. If this happens, the customer will not receive credit for their exports because the utility is not able to provide us with that data.

Some net metered customers with little or no net exports to the grid may benefit from enrolling in Community Power as we have lower rates. Please see next question for more explanation.

Can Net Metered customers choose to be enrolled in Community Power?

Yes, but the benefits of doing so should be calculated carefully before enrolling. Net metered customers served by Community Power programs will not receive any <u>monetary</u> <u>supply credit</u> for their excess energy production (exports). Customers would continue to receive non-supply related components (such as transmission and distribution credits) directly from their distribution utility, as specified under the terms of their applicable net metering tariff.

Opting-in to Community Power programs will have different implications for customers depending on whether they are currently on "net metering 1.0" or "net metering 2.0" tariffs offered by their distribution utility:

- Customers currently on "net metering 1.0" tariffs receive <u>kilowatt-hour credits</u> from their distribution utility for any electricity generated in excess of their onsite usage each month. These customers will continue to carry forward kilowatt-hour (kWh) credits month over month as an offset to future kWh consumption. However, if they generate more power than they consume <u>over the course of the year</u> and elect to monetize ("cash out") their credit on an annual basis, they will not receive any monetary credit for the annual surplus of their accumulated kWh credits from Community Power until issues with utilities are resolved.
- Customers who want to enroll in Community Power that are on a "net metering 2.0" or "alternative net metering" tariffs will <u>no longer receive monetary supply credit</u> for electricity generated in excess of their onsite usage (export) <u>each month</u>. Some net metering customers never produce more energy than they use during a month. Other customers will export only a small amount of energy some months of the year. The Community Power default service rate has been lower than the distribution utility rate since we launched in 2023. In some cases, a "net metering 2.0" customer that elects to be served by Community Power will still have a lower bill over the year even if they are not credited for their "export" credits because of the savings on their usage of energy.

Please call 1-866-603-7697 (POWR) or email <u>info@CommunityPowerNH.gov</u> if there are questions on the benefits of enrolling into Community Power as a Net Metering Member. Please have your account number handy when reaching out.

Are Group Net Metering customers automatically enrolled in Community Power?

Group Net Metering Hosts (the generator) that are properly identified by the distribution utility **will not be** enrolled in Community Power.

"Members" of the Net Metering Group who are not net metering themselves, are not on a Competitive Supplier, and have not opted-out **will be** enrolled in Community Power. This enrollment will not affect any monetary credit from the Group Net Metering Host for their participation in the Group, including on-bill credits.

Please call 1-866-603-7697 (POWR) or email <u>info@CommunityPowerNH.gov</u> if there are questions on the benefits of enrolling into Community Power as a Net Metering Group Member or Host. Please have your account number handy when reaching out.

What needs to change for Community Power to offer Net Metering programs?

Two things need to change before Community Power can offer Net Energy Metering (NEM) programs.

1. Distribution utilities must share information on the net amount of power that is exported to the grid by a net metering customer.

Today, when a customer produces more energy than they consume over a billing period (exports), the utility reports the meter read amount as zero rather than as the actual negative amount. Without this information, Community Power cannot know how much power was exported by the customer, and thus cannot know the amount to credit that customer.

2. Distribution utilities must properly account for net exports from net metered customers as "load reduction," that is, an offset to the amount of power we are obligated to purchase in the ISO New England wholesale market.

When a net metered customer produces power locally and exports it into the distribution system, the result is a reduction in the amount of energy that is needed to be purchased from wholesale power markets. Net metered customers are like miniature power plants that are offsetting the cost of buying power from bigger generators in the wholesale markets.

Rather than allowing our Community Power programs to properly source some of our power from net metered customers within our communities, current utility practice is to socialize the value of that locally generated power across all suppliers operating in the distribution utilities' service territory, regardless of who is supplying the customer.

Net exports from local energy generators should only reduce the supplier energy purchases if it is the supplier serving the net metering customer. This is consistent with the principle of cost causation for developing equitable rates.



Without being able to properly source power from local net metered customers, Community Power programs have to pay for net metered power twice: once in crediting the customer for their net exports, and again by having to purchase the same energy in the wholesale markets.

Why would the distribution utilities make these changes?

It is required by state law. New Hampshire statute requires that "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 entity, net of any applicable line loss adjustments, as approved by the commission." -RSA 362-A:9, II

It is required by regulation (administrative rule). "All customer usage data provided by the utility shall include consumption power delivered to customers and exports to the grid from customer generators in kWh for each reported interval." -Puc 2203.02(d)

It was reinforced by the Public Utilities Commission. "We also construe 2203.02(d) harmoniously with the remainder of the chapter to require the provision of positive and negative values for each reported interval." - DE 23-063 Joint Utilities Prehearing Order

What is CPCNH doing to help these changes happen soon?

- ✓ We have filed complaints with the Public Utilities Commission (PUC) and the New Hampshire Department of Energy requesting enforcement of the administrative rules and law.
- ✓ We have requested that the Electronic Business Transaction Working Group be reconvened to find solutions to the technical challenges. This is now underway with a request to have meetings every two weeks for six months.
- ✓ We will be filing a petition with the PUC to require an order that the distribution utilities fulfill their requirements so customers of Community Power can have choice in net metering programs.
- ✓ We are an intervening party to many dockets that are related to these issues.

What can I do to help Community Power make these changes happen?

- ✓ Continue to support CPCNH in its efforts to deliver Net Metering programs. As a member you are already doing that.
- ✓ Help us educate our customers on the reasons why we cannot offer net metering yet and what we are doing to fix it.

✓ Talk to your elected officials about these issues.

🗡 Respond to "action alerts" so we can be sure your voices are heard.