New Hampshire Sustainable Energy Association

New Hampshire Group Net Metering Information & Guidelines

Final Draft.

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The following report is an educational tool intended to suggest potential planning ideas and concepts that may be of benefit for community energy projects. This report provides broad and general guidelines on the advantages of certain energy project concepts and does not constitute a recommendation of any particular method, model or structure. We recommend that you seek professional legal, financial and engineering advice prior to initiating a community energy project. This report and accompanying spreadsheet and other tools is not intended to provide legal, accounting, financial, tax or other advice. Rather, the report and the illustrations therein provide a summary of certain potential strategies. The reports provide projections based on various assumptions and are therefore hypothetical in nature and not guarantees of investment returns. You should consult your tax and/or legal advisors before implementing any transactions and/or strategies concerning your finances.

Executive Summary – Community Energy

Recent attention in renewable energy projects has opened in the context of group net metering. This discussion has included an increased focus on community-based energy of all types. Although this effort was originally limited to group net metering, we have taken a step back to take advantage of this focus to describe, more generally, all types of "community" energy - not just group net metered projects, which is just a subset of a broader effort to engage groups of people in successful deployment of energy investment and benefits in the context of a community focus. True community energy efforts can include several types of projects that do not involve group net metering. A community of people can come together and invest in a system for a community-centered facility resulting in a wide range of overlapping benefits to the community itself – economic, educational and environmental. Consider for instance a religious or educational institution where participants invest in a system to provide energy savings, show a commitment to environmental stewardship and enhance economic benefits by leveraging tax incentives for a non-profit entity. This is just one form of community energy that we review. Since the efforts required for group net metering projects can benefit these type of systems and several of these models can be conjoined, we have included background on these projects to enhance the overall opportunity for community energy as well as group net metering.

Group net metering is a relatively newly adopted practice in New Hampshire. Net metering allows producers of alternative energy to tie into the grid and "roll back" their meters (net metering) when they are producing more electricity than they are using. They then sell the excess energy back to the power grid.

Group net metering (also called virtual net metering) was born from a convergence of the idea of net metering and the idea of community energy projects. The main focus of community energy projects is to encourage more widespread adoption of alternative energy by people previously unable to participate in alternative energy projects. Group net metering creates many solutions to overcome the barriers that currently inhibit more participation in alternative energy.

Group net metering allows individual "members" to form a "group" of people to invest in and receive the benefits of an alternative energy project that is not required to be on or connected to the member's physical property (this allows renters or individuals with shady property to become involved with renewable energy). The group must include a "host" who not only owns the property that the project is located on, but also has many responsibilities that deal with interaction between the group and the utility provider. The use of groups allow group net metering projects to utilize economies of scale when interacting with suppliers and installers of renewable energy equipment; decreasing the price of the system and consequently reducing the cost incurred to each member of the group.

This document is meant to outline how group net metering works in general and more specifically in New Hampshire. The document will outline the regulations implemented in NH. It will also outline the challenges and opportunities presented by group net metering in NH. Different structures of groups and financing options will be explored in the document. The advantages and disadvantages will be reviewed for each structure. The process of creating a net metering group in NH will be explained step by step. The purpose of this document is to not only introduce the NH populace to group net metering, but to explain the process by which they can become an active member of a community energy project in NH.

Legal Structures Used for Community Energy Projects

This section will outline the basic legal structures typically used in a variety of community energy projects. It is meant to make the readers familiar with the advantages and disadvantages to each structure. This will help the reader to understand why it would be recommended to use a certain legal structure for a certain project. Due to the unique nature of each project and participants, there is no "one size fits all" solution. We offer this section first merely as a way to define terms used throughout this document.

Limited Liability Company

A limited liability company is a hybrid business structure that provides the limited liability features of a corporation combined with the tax efficiencies (pass through taxation) and operational flexibility of a partnership. An LLC is comprised of its owners (also called members) which can be comprised of an unlimited amount of individuals, corporations or other LLCs.

The pass through taxation structure of an LLC means that any profits or losses of the company are claimed on the members personal tax statements. This means that the tax credits and incentives offered for alternative energy projects would also pass through to the member's personal tax statement. Losses and depreciation could also be claimed on the member's personal taxes. This means that depreciation from an alternative energy project could be claimed as a deduction from a member's tax liability.

LLCs are a very popular legal structure for businesses currently because they provide a liability shield to the owners of the business while providing pass through taxation. They are also relatively easy and inexpensive businesses to form. The application paperwork required to form an LLC can be found here.

Cooperative (Coop) Structure

A cooperative is a business or organization owned by and operated for the benefit of those using its services. Profits and earnings generated by the cooperative are distributed among the members, also known as user-owners. The cooperative is typically run by an elected board of directors and officers while regular members have voting power to control the direction of the cooperative. Members can become part of the cooperative by purchasing

shares. Unlike a corporation the amount of shares that a member holds does not affect the weight of their vote.

Forming a coop has a unique component unlike other business formations. The formation of a coop requires a group of potential members to agree on a common need and a strategy on how to meet that need. Exploratory meetings, surveys, and cost and feasibility analyses are then conducted by an organizing committee before every member agrees with the business plan.

Coops are taxed with pass through taxation like an LLC. This allows the members of coops to be capable of claiming the tax credits and depreciation on their personal taxes like LLC members are capable of doing.

Limited Partnership Third Party

A limited partnership is a business structure that is comprised of one or more general partners and one or more limited partners. The general partner in a limited partnership has management control, shares the right to use of partnership property, share the profits in predefined proportions, and have joint and several liability for debts of the partnership. As in a general partnership the general partner has actual authority as an agent of the firm to bind all the other partners in contracts with third parties that are within the ordinary scope of the partnership's business. A general partner can be any legal person (e.g. individual, LLC, Corporation, General Partnership, etc.). The limited partners have no management control and also hold limited liability. This means that limited partners are only liable for debts incurred by the firm to the extent of their registered investment.

This business structure could be utilized with a third party general partner in group net metering. An LLC or Corporation would act as the general partner and the host for the group. Individual investors from the community would act as the group as well as limited partners. The third party would be able to mitigate much of its liability through the liability shield created from either being an LLC or Corporation, while the individual investors would only be liable for their individual investments. The third party would incur all responsibility of acting as a host while holding the majority of the liability. This would be an advantageous structure for the third party if they were capable of receiving the tax credits and business incentives offered by the renewable project. This could be structured in the same way as described above, as either a PPA structured project in which the third party would provide the capital to fund the project or as a buy/lease structure in which the group would provide the capital to fund the project. This could be an attractive structure to individuals that would

like to invest in a renewable energy project without putting a lot of effort into the management of the project while mitigating the liability that they will incur.

Different Structures of Community Energy and Group Net Metered Projects

Community Renewable Energy Project without Group Net Metering

The structure of this type of project would be comprised of two major entities. The host entity for the system (the power user) and the community investing in the project (a group of like-minded individuals that are interested in supporting the host with investment knowledge and money).[1]

This project would likely be initiated by a group of community members that would like to invest in a renewable energy project that supports the host entity through lower, stable energy costs – thus benefiting the operational costs. The group of members would form the legal structure to own the system (such as an Limited Liability Corporation, Appendix F). The group would then finance the system and deploy the system to the host under a 3rd party agreement (such as a Power Purchase Agreement, Appendix H).

The size of the system will depend on the load of the facility at the location of the system since the host will provide the site for the system. The group has two options as to how to proceed. They can own the system themselves (buy the equipment and pay a contractor to install the system) or they can lease the system (a third party company purchases and installs the system). There are advantages and disadvantages to both structures. The complexity and facilitation of a lease structure would be addressed by a vendor and is beyond the scope of this document but can be reviewed in the NREL document in the Additional Resources (Appendix I).

The ownership structure offloads the capital and operational costs to the investment group. The investment entity will leverage the tax incentives (distributed through the LLC to the investors) and any other incentives. These funds can be used to lower the debt necessary to finance the system. The payment from the host for the energy (under the PPA) are used to

[1] One of the most inviting options for such a structure is a religious or other community-based institution that is tax exempt. Such entities often have insufficient funds for large capital investments other than those that are directly related to their missions (like a food bank), are stable financially in terms of their operation and have a large group of committed supporters who are willing to support the entity – especially when returns on investment are present.

cover the debt financing and/or become the return to the investors. This is the common structure used throughout the country by most solar companies providing PPA systems – here the "community" aspect is the committed group of investors who are supporting the host. We are seeing an increase in solar vendors providing services to facilitate these projects where these elements exist. The vendors are able to use their expertise to facilitate a project that they themselves may not be able to finance.

The design, procurement, installation and operations will likely be contracted out to a single vendor for consistency and comfort of the investment group. This will represent a higher cost (to cover the overhead and profit of the vendor) but will lessen any long term concerns about the expertise of system implementation and provide stability for the long-term success of the system.

Community Renewable Energy Project with Group Net Metering

Similar to the above, this effort would add a group net metering component allowing for benefits to group members as participants under the Rules for Group Net Metering (Appendix B). In such a structure the project can be owned in a variety of forms:

1. Single party ownership – in the two most prevalent structures, the system would be owned by the host or a vendor who provides GNM projects as a service.
    a. The result depends on the investment capabilities of the owner.
    b. If the host is a business or large user – they may be able to leverage the tax incentives toward the cost of the system.
    c. If the owner is a vendor, the vendor will likely have access to tax equity and sufficient debt to finance the system and deliver the benefits of the GNM through a contract for the distribution of income from the utility.

2. Group ownership – in this project structure, the system can be owned by the participants in a legal structure (such as an LLC). This would allow for the sharing of investment costs and benefits. Ownership interests in the project would be based on the legal structure but could distribute the tax incentives from ownership. The income from the GNM components would also be distributed but in accordance with the GNM agreement. As a result, there would be two distinct agreements – the agreement (legal structure such as LLC – Appendix F) among the owners and the agreement (GNM Agreement – Appendix E) among the group members.

This structure would require a greater amount of administration costs since there are stringent regulations surrounding the use of group net metering. These regulations will be

outlined further on within this document. The use of group net metering will also require interconnection to the power grid which will cause excess costs. This structure can be an excellent alternative but should be evaluated carefully before being employed.

If the system being implemented is barely meeting the power consumption needs of the host the amount of power that is sold back to the grid may not be worth the extra administration fees incurred. There is also a level of complexity that is added to group net metering that is not present within non-group net metered community energy projects. When an investor who is also a group member moves to a location outside of the utility service provider of the host, they must leave the group and be replaced by a new member – they may continue to be an owner since that is separate from the group membership. If the project is structured as a community energy project with no group net metering there is not impact since the power is solely provided to the host of the system. The ability to invest in a system that is not group net metered is not regulated by PUC rules. Group net metering is a helpful tool for community energy projects and can be an excellent structure when the system is sized larger than the host's load; however, it is not applicable in every situation and should be considered carefully before being implemented.

How to Form the Community

When forming this community – the Implementation Recommendations is the place to start.

Additional Considerations:

- With a group net metering project, it is imperative to have the group's energy load exceed the output of the system. It is even advisable to have a buffer in case member's leave the project.
- The project structure ownership is critical – whether single owner, LLC or vendor-owned.
    - Appendix E: Group Agreement
    - Appendix F: Example LLC Document for 3rd Party Ownership

Legal Structure

A group net metered project can use any of the legal structures mentioned above. Each will have different effects that will mainly dictate how interactive the members are with management of the project. If the members wish to act merely as investors with no responsibility or voting power then a limited partnership would likely work best. The host of

the group net metered project (most likely a third party LLC) would act as the general partner of the partnership with the group acting as the limited partners. A more involved investor who wished to have some voting rights and say would likely wish to structure the project as an LLC since this would allow them voting rights as a member of the LLC. The most involved and interested investor would likely wish to form a coop since this requires a great deal of participation from every member of the coop before even the inception of the business.

Investment Goals and Objectives

The investment goals and objectives of investors in a group net metered project shift from solely tax incentives and depreciation which are the primary investment goals of community energy projects without group net metering to the acquisition of incentives and tax deductions, as well as the payment for the sale of excess energy produced by the system in place. This project can also yield income from the sale of renewable energy certificates.

In Appendix G: Example Modeling Spreadsheet we provide an excel spreadsheet that can present a modelling tool for community energy stakeholders to use for development of their own project.

Challenges and Opportunities

There are major challenges which face the group net metered project structure. One of the barriers facing group net metered projects is the fact that to maximize the incentives gained from an alternative energy project in NH the project should be a 60kW system under the old rebate program. Once the new rebate structure is approved, this restriction is eliminated. Unfortunately this was not completed as of the time of the document's final drafting.

Examples

To be included in Final Release Version.

How to Form the Community

The structure of this type of project would be comprised of the utility service provider, a group of investors, and a third party renewable energy company. In this configuration of project the third party company will act as the host. They will be responsible for all of the capital costs incurred with the installation of a renewable energy system, as well as, the operating and maintenance costs. Because they have assumed the position of the group host the third party company will be responsible for communications between the group members and utility service provider. The billing will be conducted by the third party company.

There are multiple ways to structure financing for this configuration of project; however, there are two prevalent methods. The two dominant methods will be observed as financing examples. The first option is for the third party company to form a power purchase agreement (PPA) with the group. Payment details and responsibilities of the host can be negotiated in the PPA, but for the purpose of this document a relatively common PPA will be used as an example. In a common PPA, the third party company will be responsible for all the costs. The renewable energy incentives would be kept by the third party company. The company would negotiate with the group to select an appropriate contract length and kWh price which would be stated in their PPA. This structure is a good option for a group of individuals who want to have little involvement in the particulars of the project. This option would also be more attractive to individuals that are not interested in renewable energy incentives, but are interested in a lowered, flat rate for their electricity.

The other option is to allow the group members to buy or lease panels from the third party company. The third party company will act as the group host, but will pass the operation and maintenance costs to be distributed among the group members. This structure is similar to the leasing structure mentioned earlier in this document. The main difference between the two configurations is in distribution of incentives. This structure would be better for individuals that would like to have more involvement (a sense of ownership) in the project. The configuration would be more attractive to individuals that are interested in taking advantage of the renewable energy incentives available to businesses.

Because the group host in both of these structures will be a business the incentives available to these projects would be commercial incentives. These incentives can be kept by the third

party company (more likely in a PPA structured project) or passed on to the group to be distributed among the members (more likely in a buy/lease structure).

Legal Structure

The most likely legal structure to be used in this case would be a limited partnership. This would allow the third party (likely an LLC) to act as the host and manage the project while the group acted as passive investors that had little participation in the operation of the system.

If the investors wished for a more active role in the operation of the system they could form an LLC where the third party contractor could become a member of the LLC and act as a host for the group net metered project.

Investment Goals and Objectives

The investment goals for this structure would likely be more heavily focused on capturing the commercial tax incentives. This would be beneficial to the third party if it was a heavily tax leveraged company. The profits from the sales of RECs and excess energy could then be passed on to the individual investors who would not qualify for the commercial tax incentives.

Challenges and Opportunities

The first and most difficult issue facing this project structure is creating a system that generates enough excess energy and RECs to interest individual investors as a profitable endeavor. Because the payback rate on energy sold back into the grid is extremely low and the REC prices in the state of NH are not competitively high this would be a difficult structure to attract investors.

Another challenge of successfully implementing this project structure is finding a company that is tax leveraged enough that this would be an attractive investment for them. Many small local companies do not have enough tax burden for this to be an attractive investment.

Examples

Municipal Renewable Energy Project

This arrangement will be comprised of a group formed by community members of the municipality, a group host that is a function of the municipality (e.g. school, town hall, etc.), and the utility provider. The configuration will allow the municipality to become involved in a community energy project. The municipality can encourage its citizens to become involved in a community energy project. Since the municipality would act as the group host commercial incentives would be available to a project structured like this. The incentives would be passed to the group members (municipality's citizens) and distributed among them. For example if a solar array were placed on a school building, the school would become the group host for such a project. Since the school would have little use for tax incentives it could pass these incentives on to its group members. These projects can be very attractive to municipalities since it not only encourages their citizens to participate in a community energy project, but it shows that the municipality is environmentally conscientious which will encourage environmentally minded individuals to be drawn there. These projects can have a positive economic impact on municipalities that adopt them.

Legal Structure

This would likely be formed as a coop since this project structure tends to focus more heavily around the community and less heavily on purely financial investors. This means that the members of this structure would be more likely to be active investors. A coop legal structure encourages the highest amount of participation in its members.

Investment Goals and Objectives

The investment goals for this structure would more likely focus on reducing the town's budget by decreasing the utility costs for the municipality. This means that the investors would likely be more interested in the net effects of the project on the community as opposed to the financial gains of an individual investor. That being said, this structure could be attractive to individuals who are interested in their community and could use tax deductions since a coop legal structure would allow pass through taxation to the members allowing them to capture the tax incentives offered.

Challenges and Opportunities

A major challenge to this structure would be finding individuals that have an interest in decreasing the town budget that is great enough for them to invest in a project that may have a relatively low return on their investment that may take years to pay back. Another challenge to this would be creating a large enough system that the generation exceeds the needs of the municipality.

This may be a good opportunity to implement a community energy project without group net metering for this structure. This would allow the system to be sized appropriately so it is not generating excess energy that is sold into the grid at a reduced rate. As mentioned previously this would alleviate administration and interconnection costs, may allow the system to be sized to maximize the efficiency of the system and would allow members of a community to participate in investing in the community while relieving their tax burden.

Examples

To be included in Final Release Version.

Project conception

At the outset of developing a Community Energy Project several key stakeholders should be identified and their roles understood. The next set of steps includes the technical components of project development. This process can often be handled by the experience and expertise of project vendors but are listed here to guide stakeholders during their initial consideration of a community project.

- Project Champion(s): The champion(s) are required to keep the "energy" flowing in the community project.[2] The initiation of these projects – especially during this early stage of their development in New Hampshire – requires a lot of time and persistence. The effective champion will provide motivation and management to all the participants and insure that the project stays on track. An added bonus is the centralized communication and facilitation for the project. Using online resources and methods of communication and updates keeps the project flow moving, provides diverse opportunities for input and specialized expertise and helps to insure the project stays on track. The champion also helps pick up the slack when other stakeholders defer participation or become distracted.

- Host representative: The host of the site provides the team with contact to the host, maintains communication with the owner of the site and can answer technical questions associated with the project's technical components and issues. Effective exposure and inclusion insures there are no surprises and increases support from the host – who is obviously critical to the success of the project. The host representative should be able to provide the stakeholder group with insight to the host's needs and restrictions and business concerns of the host.

- Technical expert(s): This stakeholder should be able to help with the technical system components. Design, procurement, installation, permitting and other components should be an early part of the discussions to insure that the balance of all considerations are acknowledged. The technical expert should be able to provide focused and realistic input on costs and timelines to inform the team. They should also be able to initiate contact with all permitting authorities (from utility to town) to

[2] You cannot talk about energy projects without the heavy use of puns. We encourage this to keep a light and positive tone during the heavy lifting of project development.

introduce the project and illuminate any hurdles, challenges as well as opportunities that impact the costs, timelines and success of the system.

- Legal resource: The legal resource can provide guidance related to the structural issues associated with the group formation – either investment or the net metering group (or both as needed). The legal resource may become the formal legal representative once project formation reaches this stage. Early involvement however insures that major issues are identified and considered during the project formation.

- Community stakeholders: This is the broadest group and represents a wide range of support for the project. Providing PR, community communication and support to reduce the load of the stakeholders above can become one of the hidden jewels of the project team. The "community" served by or related to the project will often include a wide-range of experts and skilled people who can lend targeted help to the project and maintaining connections with these people can truly yield surprising support for the implementation as well as the completion of the project.

Community Feasibility

The first step in developing a community project is to start a dialogue with the community and stakeholders for the project. Completing this step during the early part of the process will allow the project team to assess the support for such a project. This dialogue will also provide transparency to the project in its development stages, identify challenges and opportunities for the team to consider.

A wide range of stakeholders in whatever project structure selected will be focused on results and objectives in the project. Understanding these factors will help the project team to facilitate a true understanding of the project and its benefits. This initial consideration will help to build a solid foundation for an open and honest process.

- Economic – stable and lower power costs to the host and group participants in a GNM project are obvious benefits. Investment members can realize even greater benefits from tax incentives in a properly structured vehicle.
- Values and Principles – the environmental benefits and statement made with on-site renewables is always a strong motivator for community projects, particularly where such benefits align with the mission of the host and the community. Supporting local businesses yield an economic benefit to the business but are generally motivated by the community-based perspective of the project.

Educational opportunities and "lead by example" elements are also cited as strong goals for community projects. Working with local schools and community colleges can create pathways for an even wider range of community-building.

- Innovation leaders (but not the "guinea pig") – many stakeholders are drawn to leadership and innovation but shy away from being the first. There are a number of examples in the region and across the nation show that this can be done and done successfully. Providing access to these examples here in this document as well as online resources can help alleviate concerns about something that is seen as "too new" but still early enough in adoption to be seen as a pioneering effort.

Technical Feasibility

Location – the first step is finding the physical location for the project. Here, we provide the major components and considerations for the project location and the role it plays in the development of the project. At the outset, the successful project will be assessed against the location in terms of the function of the system as well as the legal and utility-based concerns of the site.

- Exposure – Solar exposure drives the energy output – having the array facing a southern direction with little shading is obvious key to the system's success. A visual inspection should be enough but there are tools available to assess concerns related to exposure – most vendors have access to these tools and can provide low-cost assessments – yes, there is even an "app for that".
  - Solar pathfinder - http://www.solarpathfinder.com/
  - Suneye - http://www.solmetric.com/
  - iSV app - http://www.solmetric.com/solmetric-isv-iphone-app.html

- Roof – The most important aspect of a roof installation is consideration of the structural integrity of the roof and the condition of the roof materials – placing panels on top of recently installed roofs makes sense over older roofing materials if a replacement is scheduled. A replacement is not necessarily the death of the project, it should just be considered in the costs of the projects – the additional work necessary to dismantle and reinstall the array will be much less than the original installation because the mounting system will already be in place and can be re-used or relocated with minimal effort.

- Interconnection – the utility serving the host site will control the interconnection process. There are state rules for interconnection of net metered projects but each

utility has specific processes and requirements for interconnection.[3] Early engagement with the utility is also critical to a project's success. The larger the system, the more important this engagement becomes. The utility is primarily concerned with safety for line-workers and system component locations (especially disconnection systems). Knowing and acknowledging these requirements will provide insight into costs and technical necessities in project design. In addition, utilities are also managing grid reliability and larger systems – as well as the confluence of several smaller systems – must be reviewed by the utility to insure reliability and system loads are manageable. In some cases, system upgrades can also become a cost for the project and this should be identified early in the project development.

- For individual utility requirements, visit these locations:

  - PSNH - https://www.psnh.com/netmeter/
  - Liberty - http://www.libertyutilities.com/east/electricity/net_metering/
  - Unitil:
    - Residential: http://unitil.com/energy-for-residents/electric-information/distributed-energy-resources
    - Business: http://unitil.com/energy-for-businesses/electric-information/distributed-energy-resources/renewable-energy-generation
  - NH Electric Coop:
    - http://www.nhec.com/filerepository/2013_net_application_5.pdf
    - **NOTE – NHEC is nearing its cap on net-metered system. We STRONGLY recommend becoming familiar with this issue if you are in the NHEC service territory and participating in the ongoing process as the members of NHEC consider their options going forward.**
  - Municipal Utilities – contact your local utility to understand options for these systems – they vary across the state.

[3] State interconnection rules, PUC 900, can be accessed at the NH PUC website: http://www.puc.nh.gov/Regulatory/Rules/PUC900.pdf

- Construction and Site Permitting – Although the State has recently supported a program to facilitate permitting requirements.[4] This effort has only to percolate through the municipal sector. Regardless, early discussions with local building and planning authorities is critical to the success of the project.

[4] An overview from a recent webinar can be viewed here: http://www.nhenergy.org/uploads/1/6/7/3/16738072/rscii_training1_-_residential_rooftop_solar_pv_guide_-_nh_lewg_webinar_2015-01-13_final2.pdf

Information Regarding Net Metering in NH

Net metering has been effective in New Hampshire since 1983; however, is has received multiple amendments to the legislation surrounding it. There were amendments made in 1998, 2001, and just recently in 2013. New Hampshire now requires all utilities selling electricity in the state to offer net metering to customers who own or operate systems up to one megawatt (1 MW) in capacity that generate electricity using solar, wind, geothermal, hydro, tidal, wave, biomass, landfill gas, bio-oil or biodiesel. CHP systems that use natural gas, wood pellets, hydrogen, propane or heating oil are also eligible.

The New Hampshire Public Utilities Commission's (PUC) rules for net metering distinguish between small customer-generators (up to 100 kilowatts) and large customer-generators (greater than 100 kW and up to 1 MW). The rules vary slightly for each customer type. The larger systems (between 100kW and 1MW) receive a lower economic benefit from the net metered kWh.[5]

The aggregate statewide capacity limit of all net-metered systems is 50 MW. Each utility's individual aggregate capacity limit is calculated by multiplying the statewide aggregate cap (50 MW) by the individual utility's share of the "total 2010 annual coincident peak energy demand." CHP systems may account for a maximum of 4 MW of the state's aggregate net-metering limit.

Net excess generation (NEG) is either carried forward indefinitely to the customer's next bill as a kilowatt-hour (kWh) credit. Customers with NEG at the end of an annual period may elect to receive payment for NEG at the utility's avoided-cost rate. Customers retain ownership of renewable energy credits (RECs) associated with generation. However, RECs associated with the net excess generation purchased by the utility at the end of an annual billing period may be claimed by the utility. In a 2011 amendment, net-metered systems that did not create RECs through NEPOOL-GIS were directed to be allocated to the RPS-compliers (utilities and competitive electricity suppliers) at a 20% capacity factor value and thereby that equivalent amount of RECs would net out of the utilities and competitive suppliers' Class II (or otherwise) compliance obligation.

For systems up to 100 kW, a single meter that measures both the inflow and outflow of electricity internally is required. The cost of the required meter is not absorbed by the customer. A bi-directional meter is used for systems 100kW or larger. The cost incurred from purchase and installation of the bi-directional meter is absorbed by the customer. Utilities may install additional meters at their own expense.

[5] http://www.puc.nh.gov/Regulatory/Rules/PUC900.pdf

Each utility's net-metering tariff must be identical, with respect to rates, rate structure and charges, to the tariff that under which the customer would otherwise take default service from the utility. The PUC is authorized to develop a methodology for net metering under a time-of-use tariff.

Group net metering was introduced to the state through SB 98 (2013) which allows a customer generator to become a group host for a group of customers who are not customer generators. The kWh credits generated by a host system will be shared between the members of the group. The group of customers must be default service customers of the same electric distribution utility as the host. The host must also provide a list of the group members to the PUC and the electric distribution utility, and must certify that all members of the group have executed an agreement with the host. Any costs necessary to upgrade a utility's information systems in order to accommodate the billing arrangement associated with group net metering must be paid by the group host. The process of registering hosts, including periodic re-registration, and the process by which changes in membership are allowed and administered will be discussed later in this document.

Group Net Metering Terms & Definitions

All of the terms and definitions outlined throughout the next section have been obtained from PUC 902 (as can be seen in Appendix B) which is the PUC's legal definition of terms pertaining to group net metering in New Hampshire. Section 902 is a part of the overall net-metering rules PUC 900 (Appendix A)

"**Customer-generator**" or "eligible customer-generator" according to PUC 902.03 means "an electric utility customer who owns or operates 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, that is located behind a retail meter on the customer's premises, is interconnected and operates in parallel with the electric grid, and is used to offset the customer's own electricity requirements."

PUC 902.05 states that a "**Distribution utility**" means a company that "owns and/or operates the distribution facilities delivering electricity to the customer-generator's premises."

In PUC 902.06 an "**Electric utility customer**" when used to define a "customer-generator" is specified as "any retail ratepayer of a distribution utility."

"**Electricity suppliers**" according to PUC 902.07 are defined as, namely "suppliers of electricity generation services and includes actual electricity generators and brokers, aggregators, and pools that arrange for the supply of electricity generation to meet retail customer demand, which may be municipal or county entities."

In PUC 902.10 a "**Group**" is described as "one or more members who are default service customers of the same distribution utility who have signed an agreement with a host as required by RSA 362-A:9, XIV."

PUC 902.12 describes "**Host**" as meaning "a customer-generator that elects to assume the duties and obligations of RSA 362-A:9, XIV, who is, and who remains during the term of the agreement, a default service customer of the same distribution utility as the group."

A "**Member**" as defined in PUC 902.15 "means a default service customer of the same distribution utility as the host, who signs an agreement to be a member of a group under RSA 362-A:9, XIV, and who remains a default service customer of the same distribution utility as the host during its membership in the group. A member may sign an agreement with more than one host, but the portions of that member's load which are allocated to each host, when combined, shall not exceed that member's total load."

NH Group Net Metering Regulations

All regulations have been outlined in this text have been obtained from PUC 909 (as can be seen in Appendix B) which regulates the use of group net metering in NH. Section 909 is a part of the overall net-metering rules PUC 900 (Appendix A)

- **System Size**: Group net metering systems may have a peak generation capacity of up to and including one megawatt (1 MW). Net metered systems are broken into two different groups in NH. These consist of systems with less than 100 kW of peak generation capacity (known as small net-metering customers) and systems with between 100 kW and 1 MW of peak generation capacity (known as large net-metering customers). Each of these two groups has its own regulations. These are outlined below. The total historic annual load of the group members together with the host must exceed the projected annual output of the host's facility.
- **Facility Site**: The only restriction in NH on the site used for the facility is that the host of the site must be a default service customer of the same distribution utility as every member of the group.
- **Members:** A member may be any individual that is a default service customer of the same distribution facility as the host, and who remains a default service customer of the same distribution utility as the host during their membership in the group. An individual must sign an agreement with the host to become a member of the group.
- **Host**: A host may be any individual that is a customer-generator that elects to assume the duties and obligations outlined in RSA 362-A:9, XIV. The host must be and remain for the duration of the agreement a default service customer of the same distribution utility as the group. An applicant to become a host for a group must complete a registration application, Form PUC 909.09 (as can be seen in Appendix C). The host is responsible for filing an annual report to the PUC and distribution utility that outlines the different functions of the group throughout the year. The responsibilities of the host will be discussed in further detail later in this document.
- **Billing:**
    - **Facilities with a total peak generating capacity of less than 100 kW:** The utility will use the customer-generator's (host) net energy usage when calculating chargers based on kilowatt hour usage. Customer net energy usage is defined as the kilowatt hours supplied to the customer by the electric distribution system minus the kilowatt hours that are generated by the customer-generator and fed to the electric distribution utility.
    - **Facilities with a total peak generating capacity of more than 100 kW:**

The customer-generator (host) will pay all applicable charges on all kilowatt hours supplied to the customer, less a credit on default service charges equal to the metered energy generated by the customer-generator (host).

- **Negative Net Energy Usage Billing (Surplus):**
    - A group host will be paid for its surplus generation at the end of each billing cycle at rates consistent with the credit the group host receives relative to its own net metering under either subsection of the billing section defined above. On an annual basis, the electric distribution utility will calculate a payment adjustment if the host's surplus generation for which it was paid is greater than the group's total electricity usage during the same time period. The adjustment will be structured so the resulting compensation to the host for the amount that exceeded the group's total usage will be at the utility's avoided cost or its default service rate. The utility will pay or bill the host accordingly. Any costs necessary for the utility to upgrade its information systems to be capable of implementing the changes mentioned in this paragraph will be the responsibility of the host.
- **Renewable Energy Credits (RECs)**: Renewable energy credits will remain the property of the host until a time when the host either sells or transfers the credits.
- **Interconnection:** The host will be expected to pay all fees associated with interconnection with the utility.

Creating a Group

The first and likely simplest step in beginning a group net metered project is also the most important. A group of members that are all default service customers of the same utility generator must be formed to be able to begin a group net metered project.

Electing a Host

Once a group has been established a host must be identified. The group host is responsible for multiple tasks, many of which have been discussed already in this document. This section will summarize all of the different responsibilities that will be associated with a host of a group net metered project:

- **Requirements:** Any customer-generator that is currently a default service customer of the same utility as that of the group may be elected to become the host of the group.
- **Registration:** Once the host is elected they must complete a registration application, Form PUC 909.09 and provide the PUC, as well as, the distribution utility with a copy of the completed application. The form should either be approved or denied within 60 days of the date of request. The PUC may request for more information or clarification for the application. If this is done and the information is not presented to the commission within 60 days of the date of request the commission will suspend the application. The application will remain suspended until either the information is provided or 120 days have passed since the date of request. If the requested information has not provided within 120 days since the date of request the commission will reject the application.
- **Re-registration:** Re-registration is not required if the registered host complies with the requirements outlined previously, including but not limited to the timely filing of an annual report to the commission and utility provider.
- **Communications:** The host will be responsible for all communication and interaction with the PUC and the utility generator. This includes but is not limited to filing timely annual reports, billing, and changes in membership etc.
- **Billing:** The host will be responsible for collecting payments from the utility generator and distributing the payments to the members of the group. He/she will also be responsible for the collection of payments from the members to the utility generator. **Changes in Membership:** It is the duty of the host to keep a record of the dates that members join or leave the group. The procedure that is used to add or remove members from the group will be defined in the agreement. The agreement will define how members may be added, removed, or leave voluntarily from the group.

- The addition of a new member to the group will be effective on the host's first meter read date immediately following the new member's addition. The loss of a member will become effective on the host's last meter read date immediately preceding the member's date of departure.
- It is the responsibility of the host to pay any departing members their allocated share of payments through the effective date of their departure. Unless stated otherwise in the agreement the payments will be made within 60 days of their departure.
- In the event of a member's death the meter(s) associated with that deceased member unless otherwise stated in the agreement will continue to be a part of the group until being removed according the terms of the agreement or by the order of a court with the appropriate jurisdiction. Legal representatives of the deceased member will receive the deceased member's allocated share of any payments due from the host and will be responsible for their allocated share of any payments due to the host.

- **Annual Report:** It is the responsibility of the group host to present an annual report to the PUC and a copy to the distribution utility. The report should be an annual report on Form PUC 909.10 filed on or before April 1 of each year after registration, that will provide information concerning the previous calendar year. The annual report should include:
  - Changes in the information required in Form PUC 909.09
  - The effective dates of addition for any new members added that year, as well as, the member's name, billing address, service address, and projected annual load.
  - The effective dates of the departure of any members during the previous year.
  - The host is required to sign and date the annual report.

Group Net Metering Issues

Issues That Have Been Addressed

- With the current updates to legislation distributed generation of electricity is encouraged, leading to a more robust, resilient statewide energy infrastructure.
- The use of group net metering allows individual consumers to take advantage of economies of scale.
- The use of economies of scale will lower the price for each individual considering investing in renewable energy. This will allow more individuals to invest in renewable energy and will increase personal ownership of renewable energy systems.
- The use of group net metering allows individuals who do not have the appropriate site location (e.g. space constraints or shaded house) to be capable of investing in renewable energy since the member is not required to be contiguous with the host.
- The use of group net metering reduces the number of potential interconnection points for such a system.

Outstanding Issues to Be Addressed

- A more detailed, uncomplicated explanation of how the PUC decides to use a net metering tariff vs. a time based tariff is necessary.
- Potential investors must see a community energy project as simple, straight-forward, and profitable. If they do not view projects as accomplishing these constraints they will not be likely to invest in community energy projects.
- The potential financial and legal risk for the host must be explained clearly and mitigated as much as possible. The current structure of group net metering in NH transfers a relatively substantial amount of financial and legal risk to the group host without clearly identifying returns for their risk. The host must provide the site that is to be used for the project. This means it is their financial and legal responsibility for the project. The risks presented to the group host include but are not limited to:
    - Technical failure of the system
    - Business failure, bankruptcy
    - Natural disasters
    - Theft, sabotage, vandalism
    - Lawsuits from group members
- State and federal tax incentives for investments in renewable energy generation must be accessible for groups of local rate-payers/investors.
- The means of utilizing the state and federal incentives for such a system must be clearly outlined. The details of how a community energy project must be structured to receive the energy incentives should also be outlined.

NH State-Based Renewable Energy Investment Incentives

Commercial Incentive

- **Commercial & Industrial Solar Rebate Program:** This program is in the process of changing and should be consulted online for the final configuration.
    - **Current Program:** offers rebates for solar electric and thermal systems that are 100 kW D/C (or equivalent) or smaller in size within New Hampshire. The incentive levels for solar electric systems are $0.80 per Watt D/C, up to $50,000, and for solar thermal systems the incentive level is $0.07 per thousand-Btu per year ($0.12 per thousand-Btu/year for systems of fifteen collectors or fewer in size), up to $50,000. This program is open to non-profits, businesses, public entities, and other non-residential entities.
    - **Staff Proposed Program:**
        - Small systems (150 kw DC): $0.75 per watt DC or 25% of system cost whichever is less. There is a 40% limit to rebates and grants and an applicant cap proposed. There is no individual project rebate cap as the previous program included.
        - Larger systems (over 150 kw DC up to 500 kw DC): $0.65 per watt DC or 25% of system cost whichever is less. There is an applicant cap proposed. There is no individual project rebate cap as the previous program included.
    - **For Final Program:** Visit the PUC site:
        - http://www.puc.nh.gov/Sustainable%20Energy/RenewableEnergyRebates-CI.html
        - http://www.puc.nh.gov/Regulatory/Docketbk/2010/10-212.html

- **Commercial & Industrial Renewable Energy Grant:** The New Hampshire Public Utilities Commission (PUC) offers grant funding for renewable-energy projects installed at commercial, industrial, public, non-profit, municipal or school facilities, or multi-family residences with at least three units. There is no stated maximum individual award.

  Eligible forms of energy include electricity or useful thermal energy generated from wind, ocean thermal, wave, current, tidal, hydrogen derived from biomass fuels or methane gas, methane gas, biomass, hydroelectric, and solar technologies. Electricity generated by geothermal facilities is also eligible. Projects must utilize grant funds primarily for capital investments in new renewable energy facilities, upgrades to existing facilities to increase renewable energy production, or upgrades to existing renewable energy facilities that will qualify them as a “renewable source” for the

production of renewable energy certificates (RECs) under RSA 362-F. Systems financed by third parties are generally allowed.

Projects that are eligible to apply for a rebate under any of the PUC's renewable-energy rebate programs, including the PUC's commercial and industrial solar rebate program, are not eligible for funding under this round.

Residential Incentive

- **Residential Small Renewable Electrical Generation Systems Rebate:** This program offers rebates to qualifying homeowners who install photovoltaic (PV) or wind turbine electrical generation systems 10kW or smaller. Rebate levels are $.75 per watt of panel rated power up to $3,750, or 50% of the total facility cost, whichever is less.

- **Renewable Energy Property Tax Exemption:** RSA 72:61-72 permits cities and towns to offer exemptions from local property taxes for certain renewable energy installations. These include solar systems (thermal and photovoltaic), wind turbines, and central wood-fired heating systems. The goal of the exemption is to create a tax neutral policy within a municipality that neither increases an individual's property tax, nor decreases the municipality's property tax revenues. By implementing it as a tax neutral policy, homeowners do not have a disincentive of higher property taxes for installing a renewable energy system, and since there is no net reduction in municipal tax revenues, other taxpayers in a municipality are not affected. To apply for the tax exemption the NH Department of Revenue Administration's Form PA-29 must be completed.

Utility Based Incentive

- **New Hampshire Electric Co-Op – Residential Solar Photovoltaic Incentive Program:** This program offers rebates to qualifying homeowners who install photovoltaic or solar water heat systems. The system must be grid-tied and net-metered. System must be oriented between 165° and 225°, and tilted between 25° and 60° above the horizon. Must have shading efficiency of 80% or higher. System must remain permanently installed for at least 10 years. Rebate levels are 20% of the installed project cost up to $2,500.
  http://www.nhec.com/filerepository/solar_pv_application_2013.pdf

Federal Renewable Energy Investment Incentives

Commercial Incentive

- **Federal Business Investment Tax Credit:** This program offers rebates (detailed below) to businesses that install a renewable energy system that meets the following qualifications:
    - **Solar:** Eligible solar energy property includes equipment that uses solar energy to generate electricity, to heat or cool (or provide hot water for use in) a structure, or to provide solar process heat. Hybrid solar lighting systems, which use solar energy to illuminate the inside of a structure using fiber-optic distributed sunlight, are eligible. Passive solar systems and solar pool-heating systems are not eligible. The credit is equal to 30% of expenditures, with no maximum credit.
    - **Fuel Cells:** Eligible property includes fuel cells with a minimum capacity of 0.5 kW that have an electricity-only generation efficiency of 30% or higher. (Note that the credit for property placed in service before October 4, 2008, is capped at $500 per 0.5 kW.) The credit is equal to 30% of expenditures, with no maximum credit. However, the credit for fuel cells is capped at $1,500 per 0.5 kilowatt (kW) of capacity.
    - **Small Wind Turbines:** Eligible small wind property includes wind turbines up to 100 kW in capacity. (In general, the maximum credit is $4,000 for eligible property placed in service after October 3, 2008, and before January 1, 2009. The American Recovery and Reinvestment Act of 2009 removed the $4,000 maximum credit limit for small wind turbines.) The credit is equal to 30% of expenditures, with no maximum credit for small wind turbines placed in service after December 31, 2008.
    - **Geothermal Systems**: Eligible geothermal energy property includes geothermal heat pumps and equipment used to produce, distribute or use energy derived from a geothermal deposit. For electricity produced by geothermal power, equipment qualifies only up to, but not including, the electric transmission stage. For geothermal heat pumps, this credit applies to eligible property placed in service after October 3, 2008. Note that the credit for geothermal property, with the exception of geothermal heat pumps, has no stated expiration date. The credit is equal to 10% of expenditures, with no maximum credit limit stated.
    - **Microturbines**: Eligible property includes microturbines up to two megawatts (MW) in capacity that have an electricity-only generation efficiency of 26% or higher. The credit is equal to 10% of expenditures, with no maximum credit limit stated (explicitly). The credit for microturbines is capped at $200 per kW of capacity.

- **Combined Heat and Power (CHP):** Eligible CHP property generally includes systems up to 50 MW in capacity that exceed 60% energy efficiency, subject to certain limitations and reductions for large systems. The efficiency requirement does not apply to CHP systems that use biomass for at least 90% of the system's energy source, but the credit may be reduced for less-efficient systems. This credit applies to eligible property placed in service after October 3, 2008. The credit is equal to 10% of expenditures, with no maximum limit stated.

Residential Incentive

- **Residential Renewable Energy Tax Credit:** A taxpayer may claim a credit of 30% of qualified expenditures for a system that serves a dwelling unit located in the United States that is owned and used as a residence by the taxpayer. Expenditures with respect to the equipment are treated as made when the installation is completed. If the installation is at a new home, the "placed in service" date is the date of occupancy by the homeowner. Expenditures include labor costs for on-site preparation, assembly or original system installation, and for piping or wiring to interconnect a system to the home. If the federal tax credit exceeds tax liability, the excess amount may be carried forward to the succeeding taxable year. The excess credit may be carried forward until 2016, but it is unclear whether the unused tax credit can be carried forward after then. The maximum allowable credit, equipment requirements and other details vary by technology, as outlined below.

    - **Solar-electric property:** There is no maximum credit for systems placed in service after 2008. Systems must be placed in service on or after January 1, 2006, and on or before December 31, 2016. The home served by the system does not have to be the taxpayer’s principal residence.

    - **Solar water-heating property:** There is no maximum credit for systems placed in service after 2008. Systems must be placed in service on or after January 1, 2006, and on or before December 31, 2016. Equipment must be certified for performance by the Solar Rating Certification Corporation (SRCC) or a comparable entity endorsed by the government of the state in which the property is installed. At least half the energy used to heat the dwelling's water must be from solar in order for the solar water-heating property expenditures to be eligible. The tax credit does not apply to solar water-heating property for swimming pools or hot tubs. The home served by the system does not have to be the taxpayer’s principal residence.

- **Fuel cell property:** The maximum credit is $500 per half kilowatt (kW). Systems must be placed in service on or after January 1, 2006, and on or before December 31, 2016. The fuel cell must have a nameplate capacity of at least 0.5 kW of electricity using an electrochemical process and an electricity-only generation efficiency greater than 30%. In case of joint occupancy, the maximum qualifying costs that can be taken into account by all occupants for figuring the credit is $1,667 per 0.5 kW. This does not apply to married individuals filing a joint return. The credit that may be claimed by each individual is proportional to the costs he or she paid. The home served by the system must be the taxpayer's principal residence.

- **Small wind-energy property:** There is no maximum credit for systems placed in service after 2008. Systems must be placed in service on or after January 1, 2008, and on or before December 31, 2016. The home served by the system does not have to be the taxpayer's principal residence.

- **Geothermal heat pumps:** There is no maximum credit for systems placed in service after 2008. Systems must be placed in service on or after January 1, 2008, and on or before December 31, 2016. The geothermal heat pump must meet federal Energy Star criteria. The home served by the system does not have to be the taxpayer's principal residence.

Frequently Asked Questions (FAQ) Concerning Group Net Metering

- **What is group net metering?**
    - Group net metering is when one or more customers of the same distribution utility have agreed to share the credits created by the output of an electrical generating facility (up to and including one (1) megawatt (MW) in capacity) powered by renewable energy or a heat led combined heat and power system for the purpose of controlling energy costs of the group. All group members must be default service customers of the same distribution utility, meaning they may not get energy from a competitive electric supplier other than their local utility. The total kilowatt hour (kWh) output of the facility should not be greater than the total kWh usage of the group. The relationship between members shall be governed by an agreement, which must include:
        - The contact information for the host and each member, including their names, billing addresses, service addresses, phone numbers, email addresses, and name of distribution utility;
        - The procedure by which the host will allocate and make payments to, and allocate and collect payments from, its members, including the frequency and manner of such payments and collection;
        - The procedure by which members may join and leave the group, which procedure shall, at a minimum, contain the language required by New Hampshire Public Utility Commission (PUC) Rule 909.05;
        - A binding process for the resolution of any disputes involving the host, its members, or among members. The process cannot rely on the distribution utility or the PUC. This dispute resolution clause shall address disputes arising out of the member removal process required by PUS Rule 909.05;
        - The host and each member must sign the agreement attesting that the information provided is true to the best of their knowledge and belief; and
        - The agreement and signatures may be electronic.

- **What are the responsibilities of the host of the group?**
    - The host is the member of the group that owns and/or operates the electrical generating facility powered by renewable energy or a heat led combined heat and power system. As the owner and/or operator of the facility, the host is

responsible for obtaining all necessary local, state and federal approvals for the installation and operation of the facility. Additionally, the host assumes the following responsibilities with respect to the group:

- Register or re-register the group with the PUC and the distribution utility;
- File annual reports on behalf of the group;
- Receive monthly payments from the utility on behalf of the group;
- Distribute monthly payments to the group according to the terms of the group net metering agreement;
- Receive or pay the annual true-up;
- Distribute the annual true-up payment from the utility to the group members or collect the annual true-up payment that goes to the utility from the group, consistent with the group net metering agreement.

- **What are the responsibilities of the members of the group, including the host?**
  - The members of the group shall comply with all of their obligations under the group net metering agreement. The members of the group are responsible for providing all the information to the group host that the host needs to register or re-register with the PUC and distribution utility or to file annual reports with the PUC and the distribution utility. Additionally, the members are responsible for providing the host with their share of the funds to make the annual true-up payment to the utility (if one is required). Finally, the members are still responsible for paying all the charges that appear on the bill issued from their distribution utility.

- **What will the value of the monthly check paid to the group host represent in terms of kWh production and the value paid per kWh?**
  - A payment shall be made from the distribution utility to the host at the end of the monthly billing period if the kWh output of the facility for the month is greater than the total kWh usage of the group. The payment will be based on the difference between the kWh produced and the total kWh usage of the group. The payment will be valued at the same value the host would receive if they were a single net metering customer. See the following answer for an explanation of how the size of the facility dictates the value of kWh credit.

- **What will be the difference in groups utilizing an electrical generating facility over 100 kW in size versus 100 kW and under in size?**
    - The most important difference between how the size of facility will impact the group is in how the kWh credits distributed in the monthly payment will be valued. The kWh credit will be valued based on the size of the facility and the distribution utility rates that the host pays to the utility. If the facility is up to and including 100 kW, the kWh credit shall be valued at the total of the all the rates that the utility charges the host for electric usage based on kWh. If a facility is greater than 100 kW and up to and including 1 mW, the kWh credit shall be valued at the default energy rate that the utility charges the host for electric usage.

- **Is there an annual true-up of the output of the net metering facility and the usage of the group members?**
    - Yes, because the intent of the group net metering law is that the kWh output of the group net metered facility not exceed the total kWh usage of the members of the group, the distribution utility will compare the kWh output to the kWh usage by June 1st of each year. If the group used more kWh in the previous year than it produced, no true up payment will be due to either the group or the utility. If the group produced more kWh in the previous year than it consumed (excess production), the utility will calculate how much the group should have been paid if the excess production were valued at the utility's avoided cost kWh rate or the default energy kWh rate, whichever the utility has elected. If this amount is less than was paid to the group, the utility shall pay the difference to the group host. If this amount is greater, the group shall pay the utility the difference.

- **What are the legal (SEC, etc.) implications, federal and state, of membership interests in a group where money and not bill credits are distributed?**
    - This is perhaps the most technical and complicated questions present. We cannot provide an answer to cover all cases and our only true answer is to advise each group to seek specific and qualified legal advice. For some help and guidance, the best explanation we have found is from the DOE document, A Guide to Community Shared Solar at pages 44-46.[6]

[6] In addition to the link in Appendix I you can link directly here: Guide to Community Solar.

- **What enforcement rights does the PUC have to enforce the rules of group net metering?**
    - The PUC is authorized to assess fines against, revoke the registration of, and prohibit from doing business in the state, any group host which violates the requirements of this paragraph and rules adopted pursuant to this paragraph.

- **What is the group net metering application?**
    - The application is the method that the host uses to register or re-register the group with the PUC and the distribution utility. Annual re-registration is not necessary unless the host fails to comply with the PUC rules, including the requirement to file annual reports. The application is provided on the PUC website as Form PUC 909.09. The application must provide the following information:
        - The host's name, trade name, address, service address, telephone number, e-mail address, and website address, as applicable;
        - The name, telephone number, and e-mail address of the individual responsible for responding to commission inquiries;
        - A list of all members in the host's group, including each member's name, billing address, service address, and projected annual load;
        - A certification that all members and the host are default service customers of the same distribution utility;
        - The total historic annual load and the total projected annual load of the host;
        - The total historic annual load and the total projected annual load of the members;
        - The fuel source of the host facility, its generation capacity, the actual annual output of the host's facility, if known, and the projected annual output of the host's facility;
        - A certification that the total historic annual load of the members together with the host exceeds the projected annual output of the host's facility;
        - A certification that the host has provided a copy of the application to the distribution utility; and
        - A certification that the applicant has the authority to file the application on behalf of the host and that its contents are truthful, accurate and complete.

        - The host shall electronically file the form and any attachments, in a format compatible with the computer system of the PUC, through the PUC's website.

- **What is the group net metering annual report?**
    - On or before April 1st of each year, the host must file an annual report with the PUC and the distribution utility. The annual report form is provided on the PUC website as Form PUC 909.10. The annual report must include the following information:
        - Any changes to the information required in application/registration form;
        - As to those members who joined the group during the course of the immediately preceding calendar year, the effective dates of each such member's addition and each such member's name, billing address, service address, and projected annual load; and
        - As to those members who left the group during the course of the immediately preceding calendar year, the effective date of each such departure.
        - The host shall electronically file the annual report and any attachments, in a format compatible with the computer system of the PUC, through the PUC's website.

- **Are any fees required when an application or annual report are submitted?**
    - No, no fees are required.

Appendix A: PUC 900

CHAPTER Puc 900 NET METERING FOR CUSTOMER-OWNED RENEWABLE ENERGY GENERATION RESOURCES OF 1,000 KILOWATTS OR LESS

PART Puc 901 PURPOSE

Puc 901.01 Purpose. The purpose of Puc 900, pursuant to the mandate of RSA 362-A:9, is to establish reasonable interconnection requirements for safety, reliability and power quality for net energy metering as the public interest requires, and consistent with the legislative declaration of purpose set forth in RSA 362-A:1, in which the legislature found:

(a) It to be in the public interest to provide for small scale and diversified sources of supplemental electrical power to lessen the state's dependence upon other sources which may, from time to time, be uncertain;

(b) It to be in the public interest to encourage and support diversified electrical production that uses indigenous and renewable fuels and has beneficial impacts on the environment and public health; and

(c) That net energy metering for eligible customer-generators may be one way to provide a reasonable opportunity for small customers to choose interconnected self generation, encourage private investment in renewable energy resources, stimulate in-state commercialization of innovative and beneficial new technology, enhance the future diversification of the state's energy resource mix, and reduce interconnection and administrative costs.

Source. #2050, eff 6-13-82; ss by #2912, eff 11-26-84; EXPIRED 11-26-90

New. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 901.02 Applicability.

(a) Puc 904 through 908 shall be applicable only to small net-metering customers.

(b) Puc 903.02(h) through (k) shall only apply to net surplus electricity fed into the distribution system that accumulates during the 12 monthly billing cycles preceding the March 2012 billing cycle and in subsequent billing cycles.

(c) Interconnection for large net-metering customers shall be governed by each utility's interconnection practices as set forth in the utility's tariff filed with the commission.

(d) With the exception of Puc 903.02(o) and Puc 905.07, and unless otherwise noted, Puc 900 shall be applicable to rural electric cooperatives for which a certificate of deregulation is on file with the commission.

Source. #9998, eff 9-20-11

PART PUC 902 DEFINITIONS

Puc 902.01 "Agreement" means the written agreement signed by the host and by each group member as required by RSA 362-A:9, XIV for the purpose of controlling energy costs of the group and which includes at least the following:

(a) The contact information for the host and each member, including their names, billing addresses, service addresses, phone numbers, email addresses, and name of distribution utility;

(b) The procedure by which the host will allocate and make payments to, and allocate and collect payments from, its members, including the frequency and manner of such payments and collection;

(c) The procedure by which members may join and leave the group, which procedure shall, at a minimum, contain the language required by Puc 909.05;

(d) A binding process for the resolution of any disputes arising under the agreement involving the host, its members, or among members, which process does not rely on the distribution utility or the commission. This dispute resolution clause shall address disputes arising out of the member removal process required by Puc 909.05;

(e) The host and each member must sign the agreement attesting that the information provided is true to the best of their knowledge and belief; and

(f) The agreement and signatures may be electronic as authorized by RSA 294-A.

Source. #2050, eff 6-13-82; ss by #2912, eff 11-26-84; EXPIRED 11-26-90

New. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11; ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 902.02 "Combined heat and power system" means a "combined heat and power system" as defined in RSA 362-A:1-a, I-d, namely "a new system installed after July 1, 2011, that produces heat and electricity from one fuel input using an eligible fuel, without restriction to generating technology, has an electric generating capacity rating of at least one kilowatt and not more than 30 kilowatts and a fuel system efficiency of not less than 80 percent in the production of heat and electricity, or has an electric generating capacity greater than 30 kilowatts and not more than one megawatt and a fuel system efficiency of not less than 65 percent in the production of heat and electricity. Fuel system efficiency shall be measured as usable thermal and electrical output in BTUs divided by fuel input in BTUs."

Source. #2050, eff 6-13-82; ss by #2912, eff 11-26-84; EXPIRED 11-26-90

New. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09;

New. #9515, eff 7-18-09 (from Puc 902.01); ss by #9998, eff 9-20-11 (from Puc 902.01); ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.01)

Puc 902.03 "Customer-generator" means "eligible customer-generator" as defined in RSA 362-A:1-a, II-b, namely "an electric utility customer who owns or operates 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, that is located behind a retail meter on the customer's premises, 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."

Source. #2050, eff 6-13-82; ss by #2912, eff 11-26-84; EXPIRED 11-26-90

New. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. 9515, eff 7-18-09 (from Puc 902.02); ss by #9998, eff 9-20-11; ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.02)

Puc 902.04 "Default service" means energy supply services provided by a distribution utility which includes a rural electric cooperative for which a certificate of deregulation is on file with the commission.

Source. #2050, eff 6-13-82; ss by #2912, eff 11-26-84; EXPIRED 11-26-90

New. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09 (from Puc 902.03); ss by #9998, eff 9-20-11 (from Puc 902.04); ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.03)

Puc 902.05 "Distribution utility" means the company that owns and/or operates the distribution facilities delivering electricity to the customer-generator's premises.

Source. #2050, eff 6-13-82; ss by #2912, eff 11-26-84; EXPIRED 11-26-90

New. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11 (from Puc 902.03); ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.04)

Puc 902.06 "Electric utility customer" as used in the definition of "customer-generator" means any retail ratepayer of a distribution utility.

Source. #2050, eff 6-13-82; ss by #2912, eff 11-26-84; EXPIRED 11-26-90

New. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11 (from Puc 902.04); ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.05)

Puc 902.07 "Electricity suppliers" means "electricity suppliers" as defined in RSA 374-F:2, II, namely "suppliers of electricity generation services and includes actual electricity generators and brokers, aggregators, and pools that arrange for the supply of electricity generation to meet retail customer demand, which may be municipal or county entities."

Source. #2050, eff 6-13-82; ss by #2912, eff 11-26-84; EXPIRED 11-26-90

New. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11; ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.06)

Puc 902.08 "Eligible fuel" means "eligible fuel" as defined in RSA 362-A:1-a, II-c, namely, "natural gas, propane, wood pellets, hydrogen, or heating oil when combusted with a burner, including air emission standards for the device using the approved fuel."

Source. #9515, eff 7-18-09; ss by #9998, eff 9-20-11 (from Puc 902.05); ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.07)

Puc 902.09 "Generation capacity" means, for inverter based units, the kilowatt rating of the inverter, and for other interconnections, the kilowatt rating of the generation unit.

Source. #9515, eff 7-18-09; ss by #9998, eff 9-20-11; ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.08)

Puc 902.10 "Group" means one or more members who are default service customers of the same distribution utility who have signed an agreement with a host as required by RSA 362-A:9, XIV.

Source. #9998, eff 9-20-11 (from Puc 902.06); ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 902.11 "Heat led" means "heat led" as defined in RSA 362-A:1-a, II-d, namely, "that the combined heat and power system is operated in a manner to satisfy the heat usage needs of the customer-generator."

Source. #9998, eff 9-20-11; ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.09)

Puc 902.12 "Host" means a customer-generator that elects to assume the duties and obligations of RSA 362-A:9, XIV, who is, and who remains during the term of the agreement, a default service customer of the same distribution utility as the group.

Source. #9998, eff 9-20-11 (from Puc 902.07); ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 902.13 "Islanding" means a condition in which a portion of the utility system that contains both load and dispersed generation is isolated from the remainder of the utility system.

Source. #9998, eff 9-20-11 (from Puc 902.08); ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.10)

Puc 902.14 "Large customer-generator" means a customer-generator defined under Puc 902.03 that first began operation after July 1, 2010 and has a total peak generating capacity greater than 100 kilowatts (kW) up to one megawatt (MW).

Source. #9998, eff 9-20-11); ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.11)

Puc 902.15 "Member" means a default service customer of the same distribution utility as the host, who signs an agreement to be a member of a group under RSA 362-A:9, XIV, and who remains a default service customer of the same distribution utility as the host during its membership in the group. A member may sign an agreement with more than one host, but the portions of that member's load which are allocated to each host, when combined, shall not exceed that member's total load.

Source. #9998, eff 9-20-11 (from Puc 902.09); ss by #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 902.16 "Net energy metering" means "net energy metering" as defined in RSA 362-A:1, III-a, namely, "measuring the difference between the electricity supplied over the electric distribution system and the electricity generated by an eligible customer-generator which is fed back into the electric distribution system over a billing period."

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.12)

Puc 902.17 "Renewable energy" means electricity produced by renewable resources including geothermal, tidal or wave, wind, solar, landfill gas, hydro, biomass, bio-oil, bio-synthetic gas and biodiesel resources.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.13)

Puc 902.18 "Small net-metering customer" means a customer-generator as defined by Puc 902.03 with a total peak generating capacity of not more than 100 kW. The term includes "small customer-generator."

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.14)

Puc 902.19 "Witness test" means the process used by the electric utility following the interconnection of a customer-generator's generation facility to determine whether the interconnection affects the safety, reliability or power quality of the distribution system.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14 (from Puc 902.15)

PART Puc 903 CONDITIONS TO INTERCONNECTION

Puc 903.01 General Rules, Rights and Obligations.

(a) Any distribution utility and any electricity supplier operating within the state of New Hampshire shall, upon request, provide net energy metering to customer-generators pursuant to Puc 900 and RSA 362-A:9.

(b) A distribution utility shall comply with Puc 900 in a non-discriminatory manner and shall not unreasonably withhold its permission to interconnect a customer-generator's generating facility.

(c) Any electricity supplier operating within New Hampshire that is not the default service provider shall offer net metering pursuant to Puc 900 but may provide for rates and terms as provided in RSA 362-A:9, II and Puc 903.02(e).

(d) Any customer-generator who engages in net energy metering in New Hampshire shall comply with Puc 900.

(e) A customer-generator shall comply with:

(1) Applicable commission-approved rules, tariffs and terms and conditions of the distribution utility not in conflict with Puc 900;

(2) Any local, state or federal law, statute or regulation which applies to the design, siting, construction, installation, operation, or any other aspect of the customer-generator's generating and interconnection facility; and

(3) Interconnection requirements of the distribution utility as set forth in each utility's tariff on file with the commission.

(f) Interconnection with the distribution utility under Puc 900 shall not authorize a customer-generator to utilize the distribution utility's electric distribution system for the transmission or distribution of electric power.

(g) The distribution utility shall have the right to review the design of a customer-generator's generating and interconnection facility and to inspect such facility prior to the commencement of operation.

(h) The distribution utility may require a customer-generator to make modifications to its facility as necessary to comply with the requirements of Puc 900.

(i) The distribution utility's review and authorization for operation shall not be construed as confirming or endorsing the customer-generator's design or as warranting the generating or interconnection facility's safety, durability or reliability.

(j) The distribution utility shall not, by reason of such review or lack of review, be responsible for the strength, adequacy, or capacity of such facility's equipment.

(k) A customer-generator's generating and interconnection facilities shall be reasonably accessible to the distribution utility's personnel as necessary for the distribution utility to perform its duties and exercise its rights under its tariffs and terms and conditions filed with and approved by the commission, and Puc 900.

(l) Any information pertaining to a generating or interconnection facility provided to a distribution utility by a customer-generator shall be treated by the distribution utility in a confidential manner.

(m) A customer-generator shall operate and maintain its generating and interconnection facility in a manner that is as safe, dependable and efficient as practicable.

(n) Customer-generators shall be responsible for all costs associated with the interconnection to the distribution system, as provided under RSA 362-A:9, XIII.

Source. #2050, eff 6-13-82; ss by #2912, eff 11-26-84; EXPIRED 11-26-90

New. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 903.02 Statutory and Other Requirements.

(a) Electric distribution utilities shall make net energy metering available to customer-generators, pursuant to RSA 362-A:9 and Puc 900.

(b) Eligibility for net energy metering shall be available on a first-come, first-served basis within each distribution utility service area under the jurisdiction of the commission until such time as the total rated generating capacity owned and operated by customer-generators within the respective utility service area totals or would exceed the following amounts: Granite State Electric Company, 4.12 MW; New Hampshire Electric Cooperative, Inc., 3.16 MW; Public Service Company of New Hampshire, 36.55 MW; and Unitil Energy Systems, Inc., 6.17 MW. No more than 2 MW of such total rated generating capacity throughout New Hampshire shall be from combined heat and power systems.

(c) Metering shall be done in accordance with normal metering practices as follows:

(1) Except as provided for in subparagraphs (c) (3) and (5) below, small customer-generators shall have a single net meter that internally measures the inflow and outflow of electricity such that the net electricity usage or production can be periodically read. Small customer-generators shall not be required to pay for the installation of this meter;

(2) Large customer-generators shall have a bi-directional metering system that records the total amount of electricity that the customer takes from the distribution utility and the total outflow of electricity to the distribution grid. Such meter shall record measurements instantaneously or over

intervals of an hour or less. Large customer-generators shall pay for the installation of the bi-directional metering system;

(3) A distribution utility may install an additional meter or meters to monitor the flow of electricity in each direction for a small customer-generator, provided that it is not at the expense of the small customer-generator unless the additional metering is requested by the small customer-generator;

(4) A distribution utility may install a net meter that measures energy usage or production at intervals of an hour or less, provided that it is not at the expense of the small customer-generator unless the interval meter is requested by the small customer-generator;

(5) If the output of the customer-generator's facility will be measured for the purposes of recording renewable energy output under RSA 362-F, a second meter measuring the flow of electricity from the facility may be installed at the customer-generator's expense; and

(6) If an additional meter or meters are installed, as described in subparagraphs (c) (3) or (5) above, the net energy metering calculation shall yield the same result as when a single meter is used, pursuant to RSA 362-A:9.

(d) A customer-generator shall be billed for electricity under the same rate schedule that such customer-generator would be billed if it had no generation.

(e) Competitive electricity suppliers registered under RSA 374-F:7 may voluntarily determine the terms, conditions, and prices under which they will agree to provide generation supply to and purchase net generation output from customer-generators.

(f) Pursuant to RSA 362-A:9, the following shall apply to net energy measurement for small customer-generators billed on a rate schedule that is not time based:

(1) The net energy produced or consumed on a monthly basis shall be measured in accordance with normal metering practices;

(2) Charges that are not based on kWh, including the customer charge and demand based charges, shall be billed in accordance with the applicable rate schedule;

(3) Where the electricity supplied to the customer-generator over the electric distribution system exceeds the electricity supplied to the distribution system by the customer-generator during the billing period, the customer-generator shall be billed based on the net energy supplied in accordance with the applicable rate schedule, net of any credits pursuant to Puc 903.02(f)(5) a. below; and

(4) Where the customer-generator's net energy usage is negative in that more electricity is fed into the distribution system than is consumed by the customer:

a. The surplus electricity fed into the distribution system shall be calculated by subtracting the kWh supplied over the electric distribution system from the kWh fed back into the distribution system for the billing period; and

b. The distribution utility shall use zero kWh when calculating all charges that are based on kWh usage; and

(5) Where the electricity generated by the customer-generator exceeds the electricity supplied by the electric grid in any billing period, the customer-generator shall be:

a. Credited over subsequent billing periods for the surplus electricity fed into the distribution system and all associated kWh-based charges; or

b. For default service customers, if the surplus electricity production exceeds 600 kWh, the customer-generator may elect, on an annual basis, to receive a payment from the distribution utility equal in amount to the economic value of accumulated surplus as calculated pursuant to (i) below.

(g) Pursuant to RSA 362-A:9, the following shall apply to net energy measurements for large customer-generators:

(1) The net energy produced or consumed on a monthly basis shall be measured in accordance with normal metering practices;

(2) All charges that are not based on kWh, including the customer charge and demand-based charges, will be billed in accordance with the applicable rate schedule;

(3) Where the electricity supplied to the customer-generator over the electric distribution system exceeds the electricity supplied to the distribution system by the customer-generator during the billing period, the customer-generator shall be billed 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 fed into the electric distribution system over a billing period;

(4) Where the customer-generator's net energy usage is negative in that more electricity is fed into the distribution system than is delivered from the distribution system:

a. The surplus electricity fed into the distribution system shall be calculated by subtracting the kWh supplied over the electric distribution system from the kWh fed back into the distribution system for the billing period; and

b. The distribution utility shall use zero kWh when calculating all default service charges. The customer-generator shall be billed all other applicable charges on all kWh supplied to the customer over the electric distribution system; and

(5) Where the electricity supplied to the distribution system by the customer-generator exceeds the electricity supplied to the customer-generator in any billing period, the customer-generator shall be:

a. Credited for surplus electricity fed into the distribution system over subsequent billing periods for default service charges only; or

b. For default service customers, the customer-generator may elect on an annual basis to receive a payment from the distribution utility equal in amount to the economic value of the accumulated surplus as calculated pursuant to (h) and (i) below.

(h) On or before June 1 of each year each distribution utility shall provide customer-generators taking default service that have accumulated a surplus in excess of 600 kWh at the end of their March billing cycle with written notice that provides:

(1) The number of accumulated surplus kWh;

(2) A statement that the customer-generator will continue to accumulate any net surplus unless it elects one of the following two options:

a. Receive a bill credit equal to the economic value of the applicable surplus; or

b. Elect payment by check of the economic value of the surplus;

(3) The capacity in kW, if any, associated with such surplus generation, whether actual, pursuant to (i)(5) below, or estimated, pursuant to (i)(6) or (7) below, as applicable; and

(4) The average rate, expressed in dollars or cents per kWh, that the energy component of such surplus will be valued at, the rate for the capacity value of such surplus, expressed in dollars or cents per kW, and the total economic value of such surplus, expressed in dollar and cents.

(i) Unless an electric distribution utility elects otherwise as provided in paragraph (k) below, and except as may be provided otherwise pursuant to paragraph (p) below, the commission shall annually determine the rates for utility avoided costs for energy and capacity consistent with the requirements of the Public Utilities Regulatory Policy Act of 1978 (PURPA) (16 USC § 824a-3 and 18 CFR § 292.304) and as set forth below:

(1) On or before April 15 of each year, the commission shall publish on its website its calculation of the rates for avoided costs of energy and capacity for the previous year ending March 31 to be used by utilities to calculate the economic value of surplus net metered generation for the previous year which may be paid or credited starting in the May billing cycle, along with supporting calculations, an explanation of assumptions and data sources, and estimated portions of annual surplus generated during the hour or hours used to calculate avoided capacity costs pursuant to (6) and (7) below (capacity factors) if actual hourly surplus generation data is not used for such calculation pursuant to (5) below;

(2) The rates for avoided energy costs shall be based on the short-term avoided energy costs for the New Hampshire load zone in the wholesale electricity market administered by ISO New England, Inc., consisting of the hourly real time locational marginal price (LMP) of electricity plus generation related ancillary service charges, all adjusted for the average line loss in New Hampshire between the wholesale metering point and the retail metering point;

(3) The rate for the avoided generation related capacity costs shall be based on the applicable ISO New England, Inc. Forward Capacity Market (FCM) price for the power year most closely matching the 12 months ending in the March billing cycle. The avoided FCM price shall be adjusted to account for any peak energy rent payments made from the energy market that reduce direct capacity costs charged to load and for average line loss in New Hampshire between the wholesale metering point and the retail metering point. Such adjusted price shall be used to determine the rate for avoided capacity costs in dollars per kW to be used by utilities to calculate the value of generation capacity associated with surplus generation on a customer by customer basis. If there is more than one hour in each power year on which ISO New England, Inc. allocates FCM costs to load, the commission shall structure the rate proportionally to ISO New England, Inc.'s allocation of such costs;

(4) In determining the customer specific value of avoided capacity costs each utility shall multiply the quantity (in kW) of each customer-generator's surplus generation fed into the distribution grid at the hour or hours of capacity peak on which the FCM costs are allocated to load, whether actual, pursuant to (5) below, or estimated, pursuant to (6) or (7) below, as applicable, by the rate or rates determined by the commission pursuant to (1) and (3) above;

(5) If hourly meter data is available for a customer-generator's net meter and the utility has the technical capability to utilize that data for avoided cost calculations, the utility, at its election by written notice to the commission on or before May 1 of each year, shall calculate the value of avoided capacity costs or avoided energy costs, or both, for each such customer-generator using actual hourly surplus generation data. The value of avoided energy costs shall be individually calculated by weighting the actual avoided energy costs for each hour of the 12 months ending the immediately preceding March 31, as determined by the commission pursuant to (1) and (2) above, by the actual hourly surplus electricity fed into the distribution system in each hour for the same period to determine a customer-specific average rate for the energy value of net surplus generation;

(6) For all types of net metered systems other than solar photovoltaic (PV) systems, and for which actual hourly data is not utilized pursuant to (5) above:

a. The rate for avoided energy costs shall be calculated by using a simple average of hourly cost data from ISO New England, Inc. for the 12 months ending the immediately preceding March 31, assuming that surplus generation is, on average, equally distributed over all hours of the year; and

b. The portion of surplus generation estimated to be produced during the hour or hours of capacity peak on which FCM costs are allocated to load shall be equal to the number of such hours divided by 8760;

(7) For net metered PV systems for which actual hourly data is not utilized pursuant to (5) above, the rate for avoided energy costs shall be calculated as a weighted average annual rate by weighting the actual avoided costs for each hour of the 12 months ending the immediately preceding March 31 by the hourly generation output profile for PV systems in New Hampshire determined as follows:

a. If verifiable hourly generation output data is available and on file at the commission by April 5 for the applicable year from at least 25 kW of PV system capacity operating within New Hampshire, then the output profile for PV systems shall be the hourly average of all such data; or

b. If such data is not available the hourly generation output profile shall be the modeled hourly PV performance data output produced by the U.S. Department of Energy, National Renewable Energy Laboratory, PVWatts software, version 1, (available at http://www.nrel.gov/rredc/pvwatts/site_specific.html) with the default settings for Concord, New Hampshire; and

c. The portion of surplus generation estimated to be produced during the hour or hours of capacity peak on which FCM costs are allocated to load shall be in the same proportion as the output profile utilized pursuant to (7) a. or b. above.

(j) To correct an error in its determination of avoided costs, the commission shall, on its own motion, the motion of a utility, or the motion of a third party revise its determination of rates for avoided costs and capacity factors as necessary. Any amounts paid or credited at the originally published rates and capacity factors shall be subject to reconciliation by the revised rates and factors.

(k) Annually, by written notice to the commission on or before May 1 of each year, each electric distribution utility may elect, by filing notice with the commission, to purchase or value surplus generation

for the preceding year ending in the March billing cycle at a rate that is equal to the generation supply component of the applicable default service rate, instead of the avoided cost rates determined by the commission pursuant to paragraph (i) above , provided that payment is issued to customer-generators at least as often as whenever the value of such credit, in excess of amounts owned by the customer-generator, is greater than $50.

(l) Upon exit from the net energy metering system, there shall be no payment or credit to a customer-generator for any remaining excess generation.

(m) The commission shall waive any provision of Puc 900 or RSA 362-A after notice and an opportunity for a hearing, if it determines that waiver of the applicable statute or rule section is a net energy metering arrangement that is part of a utility strategy to minimize distribution costs, pursuant to RSA 362-A:9.

(n) The commission shall consider any request for a waiver, whether filed pursuant to (m) above or otherwise, pursuant to Puc 201.05, titled waiver of rules.

(o) A distribution utility may perform an annual calculation to determine the net effect of net metering on its default service and distribution revenues and expenses in the prior calendar year. Pursuant to Puc 203, the commission shall determine by order, after notice and hearing, the utility-specific method of performing the calculation and applying the results, as well as a reconciliation mechanism to collect or credit any such net effects with appropriate carrying charges and credits applied.

(p) Pursuant to Puc 203, upon petition by a utility or on its own motion, the commission shall by order, after notice and hearing, establish on a utility-specific basis a methodology by which customer-generators may be provided service under time-based net energy metering tariffs provided that it determines the resulting rates are just and reasonable and in accordance with RSA 362-A:9, VIII.

(q) Renewable energy certificates associated with the customer-generator's facility shall remain the property of the customer-generator until such certificates are sold or transferred.

Source. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

PART Puc 904 INTERCONNECTION APPLICATION PROCESS

Puc 904.01 Pre-application Review.

(a) Before purchasing or installing net energy metering equipment, a customer-generator may request that the customer-generator's distribution utility informally review the proposed project and provide information on:

(1) Whether the customer-generator's distribution utility is under the cap established by RSA 362-A:9,I;

(2) Whether the customer-generator's generation facility and electric grid interface unit, in the opinion of the distribution utility, is likely to comply with the requirements of Puc 900; and

(3) Whether the customer-generator is in an area or service location which is likely to require any upgrade or study.

(b) At the pre-application stage the distribution utility shall provide the customer-generator its best evaluation, given the information it has available, but shall not be required to conduct a study or elaborate review of the project.

Source. #2050, eff 6-13-82; ss by #2404, eff 6-28-83; ss by #2912, eff 11-26-84; EXPIRED 11-26-90

New. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 904.02 Interconnection Application.

(a) To initiate the process to engage in net energy metering, a customer-generator shall file with its distribution utility and, if applicable, its electricity supplier, an interconnection application form.

(b) When filing an application with the distribution utility, to obtain evidence of the filing and the date of filing, the applicant shall:

(1) File the application by certified mail;

(2) Obtain a dated acknowledgment of receipt from the distribution utility; or

(3) Obtain written or electronic verification of receipt from the distribution utility by other means consistent with (1) and (2) above.

(c) The interconnection application form shall include the following:

(1) Applicant information which shall include:

a. The customer-generator's name;

b. The customer-generator's full mailing address;

c. The facility location, if different from above;

d. The customer-generator's daytime and evening telephone numbers;

e. The information provided in a., b., and d. above for an alternative contact person when the customer-generator is unavailable;

f. The name of the local distribution utility and the customer-generator's account number; and

g. If different than the distribution utility, the name of the customer-generator's electricity supplier and the customer-generator's account number;

(2) Generating facility information, including:

a. The generator type, whether solar, wind, hydro or other renewable source as listed in RSA 362-F:4, I, (a) through (f);

b. The generator manufacturer, model name and number;

c. The number of phases of the unit, whether single or 3-phase;

d. The power rating of the generation output of the system in kilowatts;

e. If applicable, the inverter manufacturer, model name and number;

f. Whether a battery backup will be used or not; and

g. Whether an exterior manual disconnect switch for utility use shall be installed, if the generation output of the unit is less than or equal to 10 kilowatts in size; and

(3) Installation information and certification, which shall include:

a. Whether the generator shall be owner installed;

b. The installation date;

c The anticipated interconnection date;

d. The name, complete address, telephone number and license number of the installing electrician, if applicable;

e. The name and company affiliation of the vendor selling the generator to the customer-generator;

f. The signature, with the date of signature, of the vendor, certifying that the system hardware is in compliance with Puc 900;

g. Certification, if applicable, that the system has been installed in compliance with the local municipal building and electrical codes in the form of:

1. A signed and dated certificate by the applicable local code official; or

2. A copy of a signed and dated final inspection certificate from the municipality; and

h. A signed and dated certification by the customer-generator that:

1. The customer-generator has installed and shall operate the generation system in compliance with applicable electrical standards;

2. The initial start-up test required by Puc 905.04 has been successfully completed; and

3. To the best of the customer-generator's knowledge, all of the information contained in the interconnection notice is true and correct; and

i. Responses to the questions posed in Puc 904.01.

(d) A customer-generator may submit an interconnection application to its distribution utility when the customer-generator's facility has not been fully installed and tested, but shall:

(1) Provide in writing in connection with the interconnection application, a description of any manner in which the facility is not fully connected, tested or is not yet otherwise in compliance;

(2) Fulfill any unmet requirements prior to interconnecting; and

(3) Upon completion of unmet interconnection requirements, provide the distribution utility with any necessary updated written certifications required by this part.

(e) The distribution utility shall not interconnect the facility until all requirements pursuant to (d) above are met.

(f) Upon request, the distribution utility shall provide the customer-generator written confirmation that the interconnection application has been received and the date of receipt as follows:

(1) When the application is filed in person, immediately; or

(2) When the application is filed by mail or other means, within 10 business days of receipt, with written acknowledgement that states that:

a. The application is complete; or

b. That the application is incomplete and what information is necessary to complete the requirements.

(g) When the distribution utility provides a receipt for an application it may clarify that the receipt acknowledges the date and fact of a filing, but not the approval of the filing.

Source. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 904.03 Mutual Indemnity Provision.

(a) Unless both parties to the agreement have agreed, pursuant to (g) below, to not enter into or maintain the mutual indemnity agreement, prior to interconnection, the customer-generator, his or her distribution utility, and, if applicable, the customer-generator's electricity supplier shall:

(1) Execute the mutual indemnity agreement described in (b) below; and

(2) Maintain the terms of the agreement while the net energy metered unit is interconnected.

(b) With regard to the mutual indemnity agreement, each party to the agreement shall provide as follows:

(1) Each party shall hold harmless, and indemnify the other party and its directors, officers, agents and employees against any and all loss, liability, damage, or expense, including any direct, indirect or consequential loss, liability, damage, or expense, but not including attorneys' fees unless awarded by a court of competent jurisdiction, for injury or death to persons, including employees of either party, and damage to property, including property of either party, arising out of or in connection with intentional, willful, wanton, reckless or negligent conduct regarding:

a. The engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the party's facilities; or

b. The making of replacements, additions, or improvements to, or reconstruction of, the party's facilities;

(2) Neither party shall be indemnified by the agreement for any loss, liability, damage, or expense resulting from its sole negligence or willful misconduct; and

(3) Notwithstanding the indemnity provisions contained in the agreement, except for a party's willful misconduct or sole negligence, each party shall be responsible for damage to its own facilities resulting from electrical disturbances or faults.

(c) The mutual indemnity agreement shall become effective as between the respective parties executing and exchanging the document, upon interconnection of the customer-generator to the electric grid and mutual execution and exchange of the document by the distribution utility, the customer-generator and, if applicable, the electricity supplier.

(d) The distribution utility shall also execute the mutual indemnity agreement described in this section.

(e) The customer-generator, distribution utility, and, if applicable, the electricity supplier, shall each execute duplicate originals of the mutual indemnity agreement set forth in (b) above and each party to the agreement shall retain one executed original of the agreement.

(f) If an electricity supplier sells electric power to the customer-generator, it may require that the customer-generator enter into a mutual indemnity agreement with it, as described in this section.

(g) Notwithstanding (c) through (f) above, the customer-generator and the distribution utility with whom he or she interconnects and/or the electricity supplier of the customer-generator, separately or together, may at any time, by mutual agreement, elect not to enter into or to void the indemnity agreement set forth in (b) above.

(h) The provisions of the indemnity agreement described in this section shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

Source. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 904.04 Application Completeness Review.

(a) The interconnection process shall be deemed as beginning when the customer-generator submits a complete application pursuant to this part.

(b) The distribution utility shall evaluate the application for completeness and notify the customer-generator in writing within 10 business days of the application's receipt whether the application is or is not complete and, if the application is not complete, inform the customer-generator in writing what information is missing.

(c) The distribution utility shall verify that the customer-generator's facility equipment passes the requirements of Puc 905.

(d) If the distribution utility approves the application, the distribution utility shall sign the application and return the approved application to the customer-generator.

(e) If the distribution utility determines that interconnection of the customer generation facility would jeopardize the safety, reliability or power quality of the local distribution system, the distribution utility shall require the customer-generator to pay for necessary modifications to the distribution system before the application is approved.

(f) In the event that the distribution utility requires the customer-generator to pay for system modifications pursuant to (e) above, the distribution utility shall provide the customer-generator a description of work and an estimate of the cost for approval.

(g) If the customer-generator agrees to pay for the system modifications, the customer-generator shall sign the description of the work and submit a signed copy and the payment of the estimated costs to the distribution utility.

(h) Upon receipt of the customer-generator's approval and payment, the distribution utility shall perform the system modifications.

(i) Upon completion of the system modifications, the distribution utility shall sign the application approval and provide a copy of the signed approval to the customer-generator.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 904.05 Installation and Interconnection of Facility.

(a) Upon receipt of an application signed by the distribution utility, the customer-generator may install the generating facility.

(b) Following installation of the facility, the customer-generator shall arrange for inspection of the completed installation by the local building inspector or, if one is not available, a New Hampshire licensed electrician.

(c) The person who inspects the installation pursuant to (b) above shall sign a certificate of completion.

(d) If the facility was installed by an electrical contractor, the customer-generator shall also have the contractor complete a certificate of completion.

(e) When the customer-generator has the signatures pursuant to (c) and (d) above, the customer-generator shall provide the distribution utility with a copy of the certificates of completion.

(f) Following receipt of the certificate(s) of completion, the distribution utility may inspect the customer-generator's facility for compliance with standards by arranging for a witness test.

(g) Until a witness test has been performed, the customer-generator shall have no right to operate in parallel unless a witness test has been previously waived by the distribution utility on the application form.

(h) If the distribution utility elects to conduct a witness test, the distribution utility will attempt to conduct it within 10 business days of the receipt of the certificate of completion.

(i) All projects larger than 10 kW shall be subject to a witness test unless the distribution utility has waived the witness test on the application form.

(j) If the witness test shows that the facility is appropriately installed and functioning without jeopardizing the safety, reliability or power quality of the distribution system, the distribution utility shall notify the customer-generator in writing that the interconnection is authorized.

(k) If the witness test results indicate that the facility installation jeopardizes the safety, reliability or power quality of the distribution system, the distribution utility shall disconnect the facility provided that the distribution utility inform the customer-generator in writing what actions are required to mitigate the safety, reliability or power quality issues along approval of the facility interconnection.

(l) If the customer-generator does not substantially complete construction within 12 months after receiving application approval from the distribution utility, the distribution utility shall require the customer-generator to reapply for interconnection.

(m) As to a generating facility up to 25 kW that does not interface with the electric grid by means of an inverter, the distribution utility shall have a period of 75 days from the initial filing of the interconnection application to:

(1) Assess the proposed system and the customer-generator's site characteristics;

(2) Communicate with the customer-generator regarding adequate protective interface devices; and

(3) Allow the applicant to interconnect or provide the customer-generator specific written reasons for objecting to interconnection.

(n) If the customer-generator and the distribution utility agree that the application reasonably requires more time before the distribution utility responds as provided in (m) above, as applicable, they may agree to extend the deadline for response.

(o) Except as provided in (n) above, if the distribution utility is not able to respond to the applicant within the 10 day review period for inverter based systems or 75 day review period for non-inverter based systems and the customer-generator does not agree to an extension of the response time, the distribution utility shall:

(1) Notify the commission and the customer-generator in writing no later than the expiration of the relevant period;

(2) Petition the commission for an extension of a specified length; and

(3) Cite the specific reasons why the deadline was not met and the basis for the length of the requested extension.

(p) The commission shall grant an extension for review of the application for the shortest time reasonable, if any, if it determines that it is necessary to provide the distribution utility additional time to assess the effect of the proposal on safety, reliability or power quality of the electric distribution system in light of:

(1) The complexity of the characteristics of the site;

(2) The complexity of the proposed generation and interconnection facilities; or

(3) Delay occasioned by:

a. Failure of the customer-generator to timely provide the distribution utility information necessary to assess the potential impact of the system on safety, reliability or power quality of the electric grid;

b. Untimely response by the customer-generator to the distribution utility in response to a distribution utility request for information; or

c. Circumstances beyond the control of the distribution utility that prevent the utility from responding within the time limits established by this section.

(q) The distribution utility shall notify the customer-generator as soon as reasonably possible of any required information not included in the customer-generator's interconnection application filing, but not later than 30 days following filing of an application that the customer-generator indicates is complete.

(r) If the distribution utility has not met the applicable deadline for responding to a completed application pursuant to (m) above and has not petitioned for an extension pursuant to (o) and (p) above, the customer-generator may:

(1) Contact the distribution utility and commission and request resolution; or

(2) File a complaint with the commission.

(s) Prior to operation, during normal business hours, the customer-generator shall:

(1) Provide the distribution utility the opportunity to inspect the unit; and

(2) Upon request, demonstrate to the distribution utility the operation of the unit.

(t) The distribution utility shall interconnect with any customer-generator which:

(1) Receives electric service from the distribution utility;

(2) Has completed the application process required by this section; and

(3) Has installed a net energy metering system that complies with the interconnection and technical specification requirements of Puc 900.

(u) Facilities that meet the interconnection requirements of Puc 900 shall not be required by the distribution utility to meet additional requirements, perform or pay for additional tests, or pay additional interconnection-related charges, unless as otherwise provided.

(v) Nothing in (u) above shall prohibit a party from petitioning the commission, pursuant to Puc 201.05, as to any net energy metered facility, to require additional interconnection requirements, performance of or payment for additional tests, or payment of additional interconnection-related charges.

(w) A net metered customer-generator, a distribution company or an electricity supplier may install additional controls or meters or conduct additional tests, beyond those required by Puc 900, but if entry to the customer-generator's premises is necessary, shall first obtain consent to access the premises pursuant to Puc 908.03.

(x) The expenses associated with the additional tests, meters, and/or equipment described in (l) above shall be borne by the party desiring the additional tests, meters and/or equipment.

(y) For facilities larger than 25 kW, the distribution utility shall require a site specific interconnection review that may require additional protective equipment and may exceed the 75 day time frame by up to an additional 60 days.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 904.06 Upgrades or Changes in the Net Metering System.

(a) The customer-generator shall provide the distribution utility with a written update of any of the information required to be provided on the interconnection application as any changes occur.

(b) The customer-generator shall re-certify to their distribution utility the applicable certifications required by Puc 904.05(c) and (d), when any of the following occurs:

(1) The generation capacity is increased or its source is changed;

(2) Any key component of the system, such as the inverter, is replaced or upgraded; or

(3) The relays for a non-inverter system, are replaced, rewired or upgraded.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09 (from Puc 904.05); ss by #9998, eff 9-20-11

Puc 904.07 Insurance. The customer-generator shall not be required by the distribution utility or electricity supplier to purchase or maintain property insurance or comprehensive personal liability insurance to protect against potential liability resulting from the installation, operation or ownership of the generation and interconnection facility.

Source. #9515, eff 7-18-09 (from Puc 904.06); ss by #9998, eff 9-20-11

PART Puc 905 TECHNICAL REQUIREMENTS FOR INTERCONNECTION FOR FACILITIES

Puc 905.01 Requirements for Disconnect Switches.

(a) No facility which connects to the electric grid by means of a single-phase or 3-phase inverter that complies with Puc 906.01 shall be required to install and maintain a manual disconnect switch for utility use, unless:

(1) The customer-generator's revenue meter is not routinely accessible to the utility;

(2) The facility uses multiple inverters connected in series; or

(3) The utility connection is through a transformer rated meter.

(b) For purposes of this section, a "transformer rated meter" means a meter panel or switchboard employing the use of potential and current transformers.

(c) If the distribution utility finds it necessary for scheduled maintenance of which the customer-generator has received reasonable notice or in an emergency situation, to disconnect from the electric grid a customer-generator who does not maintain a manual disconnect switch for utility use, the utility may do so by:

(1) Pulling the customer-generator's meter;

(2) Disconnecting the customer-generator's service at the site transformer; or

(3) Executing any other reasonable method of disconnection.

(d) If the customer-generator has been notified of a scheduled maintenance or other event requiring disrupting generation or service, as an alternative to having his or her service disconnected, and upon agreement of the distribution utility, the customer-generator or their representative may be present at the scheduled time of disruption of service and demonstrate to the utility representative that generation has been isolated from the utility grid and remains isolated for the duration of the required period.

(e) If the customer-generator schedules a meeting with the distribution utility for disconnection of the system, as described in (c) above, and the customer-generator does not meet at the scheduled time, the distribution utility may disconnect the service as provided in (b) above.

(f) If the customer-generator does not install a manual disconnect device accessible to the utility, the customer-generator:

(1) Shall assume all risks and consequences associated with the loss of power to the customer-generator's premises during any period when the distribution utility is required to disconnect the customer-generator's electric service; and

(2) Acknowledges that the service disconnection shall interrupt all electric service to the customer-generator site.

(g) Any customer-generator may agree to install a manual disconnect device accessible to the distribution utility.

(h) If the customer-generator elects not to install a disconnect switch for use by the distribution utility, the customer-generator shall install a warning label, to be provided by their distribution utility, on or near their service meter location.

Source. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 905.02 Disconnect Switch.

(a) For purposes of this section, a "gang-operated" switch means a switch in which the separate switches for each phase are operated as a group from a single control.

(b) A facility that elects to install a manual disconnect switch for utility use shall meet the following requirements:

(1) The disconnect switch shall be an external, manual, visible, gang-operated, load break disconnecting switch;

(2) The customer-generator shall purchase, install, own, and maintain the disconnect switch;

(3) The disconnect switch shall be located between the power producing equipment and its interconnection point with the distribution utility system;

(4) The disconnect switch shall meet applicable standards established by Underwriters Laboratories, American National Standards Institute, the National Electrical Code and Institute of Electrical and Electronic Engineers;

(5) The disconnect switch shall be clearly marked, "Generator Disconnect Switch", with permanent letters 3/8 inch or larger;

(6) The disconnect switch shall be located at a location on the property of the customer-generator mutually agreeable to the customer-generator and the distribution utility;

(7) The disconnect switch shall be readily accessible for operation and locking by distribution utility personnel; and

(8) The disconnect switch must be lockable in the open position with a standard padlock with a 3/8 inch shank.

Source. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 905.03 Configuration of the Transformer Serving the Customer-Generator's Generation Site.

(a) The existing site transformer serving the customer-generator load may be used if its use will not significantly degrade the power quality or voltage regulation on the secondary distribution system and if such usage will not create problems for distribution utility system relaying.

(b) For single phase distributed generators connected to 4-wire multi-grounded neutral systems, the high side of the step-up transformer shall be connected phase to neutral.

(c) A phase to phase high side connection shall be allowed if it does not degrade power quality or voltage regulation on the distribution system.

(d) For single phase distributed generators connected to 3-wire or 4-wire impedance grounded systems, the step-up transformer high-side winding shall be connected phase to phase.

(e) For 3-phase distributed generators connected to 4-wire multi-grounded distribution systems, the step-up transformer may be an existing grounded-wye to grounded-wye transformer. "Wye" as used in this paragraph, means the configuration in which one end of each transformer winding is connected to a common point and the other to its appropriate line terminal, resembling the letter "Y".

(f) In cases as described in the paragraph above, the generator shall be impedance grounded as necessary to achieve effective grounding but limit the desensitization of the distribution utility system ground fault relaying.

(g) The generation system site shall be impedance grounded, as described in (f) above, if necessary, in a manner adequate to assure that the unit does not:

(1) Significantly degrade the power quality or voltage regulation on the distribution system;

(2) Create significant safety problems; or

(3) Create problems for distribution utility system relaying.

(h) To guard against over voltages on the unfaulted phases of a 3-phase utility primary, if the transformer serving the customer-generator site is ungrounded, over voltage protection shall be used to:

(1) Detect a situation where the utility has tripped due to a phase to ground fault, and the connected ungrounded generator might not yet have tripped; and

(2) Trip the generator at high speed.

(i) The cost of any improvements necessary to the site transformer serving the net metered facility shall be borne according to the distribution utility's approved tariff on file with the commission.

Source. INTERIM #5921, eff 11-7-94, EXPIRED 3-7-95

New. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 905.04 Initial Testing.

(a) After installation of the generation facility and before final approval and interconnection to the electric grid, the customer-generator shall, in addition to the certifications required in connection with the interconnection application, conduct a load-break test on the generator, as described in (b) below, to confirm that the anti-islanding controls are functioning.

(b) When conducting a load-break test, the customer-generator shall demonstrate that after the main disconnect switch or circuit breaker of the residence or building is opened, the generation unit shuts down within 2 seconds.

(c) If the generation unit fails to shut down within 2 seconds after conducting the test as provided in (b) above, the customer-generator shall inform its distribution utility.

(d) The customer-generator shall provide an initial test on a non-inverter interfaced system, by demonstrating that:

(1) The relays function as designed;

(2) The relays have been calibrated to settings as provided by the distribution utility pursuant to Puc 907.01(f);

(3) All key components of the system function as designed; and

(4) The anti-islanding function of the unit works properly.

(e) The testing of the relays of a non-inverter interfaced system shall be conducted by an individual that:

(1) Utilizes test equipment:

a. Necessary to adequately test the key components of the system;

b. That is calibrated within tolerances sufficient to assure accurate testing; and

c. That is calibrated with a frequency consistent with industry standards;

(2) Has received the education and training necessary to conduct the sophisticated testing of relays and other components of a non-inverter based generator; and

(3) Maintains any professional accreditation or certification necessary for the testing of this nature.

(f) The individual conducting the testing of a non-inverter based system required by this section shall, upon request, provide the distribution utility information on his or her background and credentials, and equipment, maintenance and calibration of the equipment sufficient to allow the utility to assess the individual's competence to undertake the required testing.

(g) Upon request, the customer-generator shall allow the distribution utility to have a representative present for the initial or periodic testing required by this part.

Source. #7424, eff 1-12-01; ss by, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 905.05 Periodic Testing.

(a) As to a generator facility which interfaces with the electric grid by an inverter, the customer-generator shall, if requested to do so by its distribution utility, conduct a load-break test, as described in Puc 905.04(b), once per year after installation.

(b) As to a generator that interfaces with the electric grid by a non-inverter, the customer-generator shall:

(1) Conduct a load-break test, as described in Puc 905.04, once per year after installation; and

(2) Verify the proper calibration and protective function of the components and systems of the generation unit, which shall include the testing prescribed by the unit manufacturer:

a. Once every 4 years or according to the schedule recommended by the manufacturer, whichever is more frequent, for facilities rated greater than 25 kW; or

b. Once every 4 years for facilities rated 25 kW or less.

(c) The testing of the calibration and protective function of the components and systems of a non-inverter interfaced system shall be conducted by an entity qualified as provided in Puc 905.04(e) and (f).

(d) The customer-generator shall:

(1) Create a written record of the dates and procedures for tests conducted pursuant to this section; and

(2) Maintain the written record of verification testing for inspection by the distribution utility for a period of 4 years from the date of the respective test.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 905.06 Studies and Analysis.

(a) A distribution utility may conduct detailed load flow, voltage regulation, or short circuit coordination studies of the primary feeder if it determines that the addition of a net metered generation unit will push the aggregate capacity of distributed generation on the feeder to the threshold level, described in (b) and (c) below.

(b) The distribution utility may deem the threshold of concern for aggregate distributed generation as reached if:

(1) The lower of 7.5% of the peak feeder demand as measured at the substation or 20% of the peak feeder demand downstream of the point of interconnection is reached;

(2) More than one net metered unit is proposed to be installed on the same secondary shared by many customers; or

(3) Any other reasonable means, consistent with (1) or (2) above, of determining that a study is necessary.

(c) The distribution utility shall deem the threshold of concern for aggregate distributed generation as reached if it determines that the addition of the proposed generation unit poses a reasonable threat to the continued safety, reliability or power quality to any significant portion of the electric grid.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 905.07 Payment for Upgrades or Improvements to the Electric Grid.

If an upgrade or an improvement to the electric grid up to the customer-generator's meter is necessary for the distribution utility to interconnect to the customer-generator's net energy metered system, the expense shall be borne according to the utility's approved tariff on file with the commission.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

PART Puc 906 COMPLIANCE PATH FOR INVERTER UNITS

Puc 906.01 Inverter Requirements.

(a) A net energy metered project which connects to the electric grid by means of a single-phase or 3-phase inverter shall be deemed to be compliant with the technical specifications for the generation unit itself, as established by Puc 900, if the unit complies with the minimum requirements set forth in the following national standards:

(1) The "IEEE Standard 1547 (2003) for Interconnecting Distributed Power Resources with Electric Power Systems" issued by the Institute of Electrical and Electronic Engineers, Inc., New York, NY,2003; and

(2) The "UL 1741, Standard for Inverters, Converters, Controllers with Interconnection System Equipment for Use with Distributed Generation Resources", issued by Underwriters Laboratories, Inc., of 333 Pfingsten Road, Northbrook, Illinois 60062, 2010.

(b) A net metered system shall be installed in accordance with the State Building Code, including the National Electrical Code, pursuant to RSA 155-A:1, IV as may be modified from time to time by the State Building Code Review Board pursuant to RSA 155-A:10, V.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

PART Puc 907 COMPLIANCE PATH FOR GENERATION UNITS NOT USING AN INVERTER

Puc 907.01 Interconnection Requirements.

(a) Except as provided in (b) below, any net energy metered generation system which interfaces with the electric grid by means other than an inverter shall:

(1) Meet the following safety and service quality requirements:

a. The system shall not compromise the safety of the distribution utility personnel, the customer-generator or other customers on the electric grid;

b. The system shall have:

1. Adequate non-islanding protection;

2. Utility-grade protective devices to separate the facility from the electric distribution system, including:

(i) Time over-frequency protection;

(ii) Time under-frequency protection;

(iii) Time over-voltage protection; and

(iv) Time under-voltage protection;

3. Protection devices at the primary voltage level for ground fault and ground current contribution;

4. Adequate short circuit interrupting devices; and

5. Reliable power sources for shunt-tripped short circuit interrupting "devices;"

c. The generation facility shall not reduce the quality of service on the electric distribution system, including voltage fluctuations, excessive voltage and current harmonic content; and

d. Facilities greater than 35 kW shall certify that they are in compliance with IEEE Standard 1547 for harmonics;

(2) Interface with the electric distribution system according to the following requirements:

a. The system shall synchronize with the primary voltage level on the distribution grid;

b. The transformer winding connection to be used at the primary voltage interconnecting point shall be adequate to coordinate with the distribution grid;

c. The generation facility shall synchronize with the electric grid; and

d. The generation facility shall correct the power factor, if necessary;

(3) Not impair the quality of service standards maintained by the electric distribution system;

(4) Provide other protections and devices necessary, consistent with the requirements of this section, to assure safety, quality of service, reliability and power quality of the electric distribution system; and

(5) As to relays, use utility grade relays.

(b) A non-inverter based system shall be installed in accordance with the National Electrical Code, 2008, issued by the National Fire Protection Association, Quincy, Massachusetts.

(c) When seeking to interconnect with the distribution utility, the applicant shall provide the distribution utility the following:

(1) The interconnection application form required by Puc 904.02;

(2) Alternating current (AC) and direct current (DC) elementary and schematic diagrams describing the planned protection package; and

(3) A one-line diagram of the net energy metering system showing how the system protection shall be wired.

(d) The customer-generator shall provide for testing of the relays of the net energy metering system once the settings have been applied to confirm that they perform the intended function.

(e) As to the testing of relays described in (d) above:

(1) The testing shall be conducted by a individual qualified for testing as described in Puc 905.04(e) and (f); and

(2) The customer-generator shall provide the distribution utility the opportunity to:

a. Be present at and observe the testing; or

b. Conduct the testing of the relays by a qualified utility representative.

(f) If the customer-generator and the electric distribution utility cannot agree to the interconnection requirements, they shall file with the commission for review and determination.

(g) In determining interconnection requirements for a non-inverter system, the commission shall consider safety, reliability and power quality in the context of the legislative intent of RSA 362-A:9.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

PART Puc 908 PROCEDURAL REQUIREMENTS FOR INTERCONNECTED UNITS

Puc 908.01 Emergencies, Maintenance.

(a) The customer-generator shall, during the period it operates as a customer-generator, provide the distribution utility a current telephone number(s).

(b) The distribution utility shall make arrangements for routine utility repairs or inspections that might involve the net energy metered system during normal business hours.

(c) The customer-generator shall not supply power to the electric distribution grid during any outages of the distribution system that serves the customer-generator.

(d) The customer-generator's generating facility may be operated during outages referred to in (b) above only with an open tie to the distribution utility.

(e) The customer-generator's generating facility shall not:

(1) Create an islanding situation on the grid; or

(2) Energize a de-energized utility circuit for any reason.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 908.02 Procedures for Disconnection.

(a) When an emergency condition, described in (b) below, exists and when it is necessary under the circumstances to do so, the distribution utility may disconnect the customer-generator's net energy metered system and electric service.

(b) An emergency condition shall have occurred when the interconnection represents a condition which:

(1) Is likely to result in imminent significant disruption of service to the distribution utility's customers;

(2) Is imminently likely to endanger life or property;

(3) Constitutes emergency or pre-emergency conditions on the utility system;

(4) Constitutes a hazardous condition; or

(5) Reveals that a protective device tampering has occurred on the customer-generator's generation facility.

(c) The distribution utility may open the disconnect switch or disconnect the customer-generator's service, as applicable, after notice to the customer-generator has been delivered and a reasonable time to correct the condition, consistent with the conditions, has elapsed, if:

(1) The customer-generator has failed to make available records of required verification tests and, in the case of a non-inverter interfaced system, maintenance of its protective devices;

(2) The customer-generator's generation facility:

a. Impedes the normal use of distribution utility equipment or equipment belonging to other distribution utility customers in a negative manner; or

b. Impedes the normal quality of service of adjoining customers in a negative manner; or

(3) Has been modified so that it is not in compliance with Puc 900.

(d) When the customer-generator has corrected the problem and restored the system to compliance with Puc 900 and notifies the distribution utility of such compliance, the utility shall:

(1) Within 2 business days:

a. Provide written verification to the customer-generator of their compliance; or

b. Provide written notice to the customer-generator of the specifics of their continued non-compliance; and

(2) When the system is in compliance, reconnect or allow re-connection as soon as possible under the circumstances.

(e) The customer-generator may reconnect to the electric grid in coordination with the distribution utility, upon receipt of verification as provided in (d) above if the customer-generator, upon distribution utility request or otherwise, disconnected itself from the grid.

(f) If the distribution utility disconnects the customer-generator's net metering system for one of the emergency conditions referred to in (a) above, it shall notify the customer-generator of the disconnection:

(1) Within 24 hours of the disconnection; or

(2) As soon as possible in circumstances where a widespread emergency or other significant extenuating circumstances preclude utility personnel contacting the customer-generator within the 24 hour period.

(g) If the emergency referred to in (a) above was not caused by the net metered system, then the distribution utility shall reconnect the system upon cessation of the emergency.

(h) Notwithstanding any special notification and re-connection requirements for customer-generators established by Puc 908, the distribution utility shall not be required to provide for special notification or re-connection for a customer-generator that differs from its usual and regular policies and protocol in a disconnection situation, if:

(1) The disconnection is not for reasons associated with the net metered system; and

(2) The distribution utility does not open the customer-generator's disconnect switch or pull the customer-generator's meter.

(i) If the emergency referred to in (a) above was caused by the net metered system, then the distribution utility shall communicate the nature of the problem to the customer-generator within 5 days, and attempt to resolve the issue with the customer-generator.

(j) Within 30 days of the disconnection referred to in (h) above, the distribution utility shall file a disconnection petition with the commission if the distribution utility and the customer-generator have not reached a mutually agreed-upon resolution.

(k) Non-emergency disconnections of the net metered system by a distribution utility shall follow the same process as emergency disconnections of such systems, except that the utility shall:

(1) Give the customer-generator no less than 5 working days' prior notice of the disconnection; and

(2) Communicate in the notice to the customer-generator the reasons for the disconnection.

(l) If the net metered system is not the reason for the disconnection, the distribution utility shall reconnect the system as soon as the activity, such as line maintenance, necessitating the disconnection, ceases.

(m) When a utility disconnects the metering system of a customer-generator, the customer-generator may file a complaint with the commission at any time after disconnection.

(n) If a disconnection complaint is filed with the commission, it shall hold a hearing on the matter within 30 days and rule on whether the net metering system has violated a condition necessary for it to operate.

(o) In any hearing as referred to in (m) above, the disconnecting utility shall carry the burden of proof.

(p) A customer-generator shall not re-close a disconnect device which has been opened and tagged by its distribution utility or attempt to re-install a pulled meter without the prior permission of the distribution utility, or in the event of a dispute, the commission.

(q) A customer-generator shall be allowed to disconnect the net energy metered generation from the distribution utility without prior notice in order to self-generate but shall notify the distribution utility as soon as practical following disconnection.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 908.03 Distribution Utility Access to Net Metered System.

(a) The distribution utility may inspect the net energy metered system at its own expense at a time mutually agreeable to the customer-generator upon reasonable notice to the customer-generator.

(b) Except in emergency circumstances, the distribution utility shall provide not less than 5 business days notice to the customer-generator to enter the customer-generator's property to inspect the net metered system, install additional controls or meters or conduct additional tests.

(c) A customer-generator shall not withhold allowing access to the distribution utility to inspect the net metered system, install additional controls or meters or conduct additional tests.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 908.04 Complaints and Investigations.

(a) The procedures set forth in Puc 200 shall be applicable to filing and resolution of any complaint and investigation arising out of Puc 900.

(b) Any party may file with the commission a complaint or request for resolution of a dispute relating to Puc 900.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 908.05 Notifying Public of Net Energy Metering.

(a) When a customer initiates an inquiry and requests information on net energy metering, the distribution utility shall provide a copy of Puc 900 to the customer and the name and telephone number of a contact person(s) at the utility and a description of net energy metering.

(b) The distribution utility shall provide to each customer in a billing insert or a billing message in the customer bill stating a brief description of the availability of net energy metering of one paragraph or more in length.

(c) The distribution utility shall provide the information described in (b) above at annual intervals.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 908.06 Violations of Authorization to Interconnect.

(a) After notice and an opportunity for a hearing, the commission shall revoke, suspend, or condition the authorization for a customer-generator to interconnect a net energy metered system, or take such other action consistent with the above that it deems provident if it finds good cause.

(b) Good cause, as referred to in (a) above shall exist if the commission finds one or more of the following:

(1) The customer-generator was granted authority to operate based on false or misleading information supplied by the applicant which:

a. Is material; and

b. The applicant knew or should have known was false or misleading;

(2) The system was not installed or is not being operated substantially in accordance with the National Electrical Code or applicable interconnection requirements;

(3) The customer-generator has failed to comply with the conditions of approval to operate or representations made in their filing for approval to operate; or

(4) Other conditions, consistent with (1) through (3) above, exist which the commission finds, necessitates revocation, suspension or placing conditions on the authorization to interconnect.

(c) In determining the consequences of its finding in (a) above, the commission shall consider the following:

(1) The severity of the consequences resulting from the violation such that the more severe the infraction, the more severe the consequence;

(2) Mitigating circumstances, such as how quickly the customer-generator took action to rectify the situation, how much control the customer-generator had over the situation, and other circumstance which would tend to lessen fault; and

(3) Prior violations of Puc 900.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 908.07 Utilities shall Report Number and Size of Net Energy Metered Units.

(a) Each distribution utility shall:

(1) Track the number and size of net energy metered systems on their lines;

(2) Report to the commission annually by April 1 of each year for the prior year, the following as regards net energy metered units:

a. The number of units operating;

b. The generation output rating of the units in kilowatts; and

c. The total capacity of units' generation output operating on the utility's distribution system relative to the limits identified in Puc 903.02(b) of annual peak energy demand limitation mandated by RSA 362-A:9,I; and

(3) Notify the commission within 10 business days when the distribution utility has reached the limits identified in Puc 903.02(b) of its annual peak energy demand limit mandated by RSA 362-A:9,I.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 908.08 Existing Systems Grandfathered.

(a) Net energy metering systems that have been interconnected with the distribution utility with the knowledge of the distribution utility as of the initial effective date of Puc 900 shall:

(1) Be deemed to be registered; and

(2) Not be required, due to the adoption of Puc 900, to:

a. Re-apply for interconnection pursuant to Puc 904; or

b. Upgrade to meet the applicable requirements for interconnection of Puc 905, the requirements for inverter units of Puc 906, or the requirements for non-inverters of Puc 907.

(b) The grandfathered systems referred to in (a) above shall comply with the procedural requirements for interconnected units contained in Puc 908.

(c) A customer-generator may repair his or her net energy metered system that is grandfathered under (a) above, such as by repairing relays in a non-inverter system, but if a customer-generator changes the inverter or adds to the generation output or otherwise upgrades or alters the system as provided in Puc 904.05, the customer-generator shall update the qualifications of the system as provided in Puc 904.05.

(d) The distribution utility or electricity supplier may request and the customer-generator shall provide, as to any system grandfathered under this section, the information required in connection with the interconnection application form set forth in Puc 904.02, and the customer-generator shall, without request, update such information as it may change.

(e) A generation system that has been interconnected with its distribution utility prior to the initial adoption of Puc 900 without the knowledge of the distribution utility shall not be grandfathered for purposes of this section.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09; ss by #9998, eff 9-20-11

Puc 908.09 Relationship to Other Commission Rules.

(a) Unless otherwise specified, Puc 900 shall not supersede any other rule of the commission but, supplement such rules.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09 (from Puc 908.10); ss by #9998, eff 9-20-11 (from Puc 908.10)

Puc 908.10 Transferability.

(a) An customer-generator's certificate to operate a net metered system shall transfer to the new owner when the property with the net metered system is sold or otherwise conveyed, if the new owner provides the distribution utility in writing:

(1) Any changed information provided in connection with the interconnection application described in Puc 904.02; and

(2) An agreement to operate and maintain the net metering system according to Puc 900, RSA 362-A and other applicable requirements.

(b) The distribution utility shall not deny a new owner acquiring a currently duly registered net energy metering facility, which otherwise complies with the requirements of Puc 900, the right to register, as long as the new owner complies with (a) above.

(c) The new customer-generator owner, as described in (a) and (b) above, shall notify the distribution utility of the transfer and of the applicable information required by the interconnection application in Puc 904.02.

(d) Transfers of a net metered facility as described in the section shall not be construed as exiting from the system and Puc 903.02(l)) shall not apply to any such transfer.

(e) If any change or upgrade in a system would otherwise require new approval pursuant to Puc 904.05, mere ownership transfer shall not relieve the customer-generator from the requirement.

Source. #7424, eff 1-12-01; ss by #9353, INTERIM, eff 1-12-09, EXPIRED: 7-11-09

New. #9515, eff 7-18-09 (formerly Puc 908.11); ss by #9998, eff 9-20-11 (from Puc 908.11)

PART Puc 909.01 PURPOSE

Puc 909.01 Purpose. The purpose of this Section is to implement 2013 N.H. Laws Ch. 266 (SB 98), "An act authorizing group net metering for limited electrical energy producers," which amended the definition of "customer-generator" in RSA 362-A:1-a, II-b, added RSA 362-A:9, XIV, and expanded the commission's reporting requirement in RSA 362-F:10, IV.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 909.02 Applicability. Puc 909.01 through Puc 909.11 apply to customer-generators who elect to become hosts and to distribution utilities that serve customer-generators who become hosts.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 909.03 Registration of Hosts.

(a) Any customer-generator seeking to become a host shall provide the commission, with a copy to the distribution utility, a registration application, Form PUC 909.09, containing the information specified in Puc 909.09.

(b) No customer-generator shall begin acting as a host until it has completed all aspects of the application process required by this section and Puc 909.09.

(c) Unless the commission determines that an application is incomplete or does not comply with the requirements of this chapter, the commission shall either approve the application in writing within 60 days after the commission receives a complete application, with a copy to the distribution utility, or it shall be deemed to have been approved 60 days after receipt.

(d) If the commission requested information or clarification to complete the application and such information or clarification is not provided within 60 days of the date of the request, the commission shall suspend action on the application. The commission shall provide notice of such suspension to the applicant and to the distribution utility. If, after 120 days from the date of the request the applicant has not provided the requested information or clarification, the commission shall reject the application and shall so notify the applicant and the distribution utility.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 909.04 Re-Registration of Hosts.

(a) Re-registration shall not be required so long as a duly registered host complies with the requirements of this section including, but not limited to, the obligation to timely file annual reports described in Puc 909.06.

(b) If a host must re-register, the host shall provide the commission, with a copy to the distribution utility, a registration application, Form PUC 909.09, containing the information specified in Puc 909.09 and shall note any changes from the information provided with the host's previous application(s).

(c) Unless the commission determines that an application for re-registration is incomplete or does not comply with the requirements of this chapter, the commission shall either approve the application in writing within 60 days after the commission receives a complete application, with a copy to the distribution utility, or it shall be deemed to have been approved 60 days after receipt.

(d) If the commission requested information or clarification to complete an application for re-registration, and such information or clarification is not provided within 60 days of the request, the commission shall suspend action on the application. The commission shall provide notice of such suspension to the applicant and to the distribution utility. If, after 120 days from the date of the request the applicant has not provided the requested information or clarification, the commission shall reject the application, and shall so notify the applicant and the distribution utility.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 909.05 Changes in Membership.

(a) The procedure by which members are added and removed from the group shall be defined in the agreement. The agreement shall describe how members may be added, how members may leave voluntarily, and how members may be removed involuntarily. The host shall keep records of the dates that each member joins and leaves the group.

(b) The addition of a member shall be effective on the host's first meter read date immediately following the new member's addition.

(c) The departure of a member shall be effective on the host's last meter read date immediately preceding the member's date of departure.

(d) Departing members shall receive their allocated share of any payments due from the host, and shall be responsible for their allocated share of any payments due to the host, through the effective date of their departure. Unless the agreement provides otherwise, such payments shall be made within 60 days of the effective date of their departure.

(e) Unless the agreement provides otherwise, in the event of a member's death the meter(s) associated

with that deceased member shall continue to be a part of the group until removed according to the terms of the agreement or by order of a court with appropriate jurisdiction. The legal representatives of deceased members shall receive the deceased member's allocated share of any payments due from the host, and shall be responsible for their allocated share of any payments due to the host.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 909.06 Annual Report. Each host shall file with the commission, with a copy to the distribution utility, an annual report on Form PUC 909.10 on or before April 1 of each year after registration, providing information related to the preceding calendar year.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 909.07 Duties of the Distribution Utility.

(a) Upon receipt of a registration or re-registration application and approval of that application through commission notice or through passage of time as described in Puc 909.03 and Puc 909.04, the distribution utility shall thereafter pay the host for the host's surplus generation at the end of each billing cycle, beginning with the meter read date immediately following the effective date of the host's registration. The distribution utility's monthly payments to the host shall be based on the rate used to calculate the host's credit relative to the host's own net metering under RSA 362-A:9, IV(a) or (b).

(b) If the host fails to timely file an annual report required by Puc 909.06, the distribution utility shall stop making monthly payments. The distribution utility shall restart monthly payments as of the meter read date immediately following receipt of the host's annual report.

(c) By June 1 of each year, the distribution utility shall calculate the difference between the host's surplus generation for which the host was paid during the course of the preceding calendar year and the group's total electricity used during that same period, using either subparagraph (1) or (2) below:

(1) If the group used more electricity than the host's surplus generation, no payment adjustment is required; or

(2) If the group used less electricity than the host's surplus generation, then the distribution utility shall calculate a payment adjustment based on the amount of electricity that the host's surplus generation exceeded the group's total use. The host shall be entitled to compensation for that excess generation at the distribution utility's avoided cost or its default service rate in accordance with RSA 362-A:9, V(b) or VI. If the distribution utility paid the host for that excess generation at a higher rate, then the distribution utility may, by June 1 of each year, bill the host for the amount it overpaid the host for that excess generation.

(d) Any distribution utility serving registered hosts shall file an annual report with the commission on or before April 1 of each year, beginning April 1, 2014, covering the immediately preceding calendar year, which report shall describe the number and location of all registered group host facilities it serves, the generating capacity and renewable source of each facility, the payments to each facility, and the group load served by each facility.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 909.08 Sanctions for Failure to Comply.

(a) The commission shall suspend the registration of a host for a period of up to 2 years, after notice

and an opportunity to be heard, for any of the following:

(1) Misrepresentation of information required by Puc 909.09 which, if accurately reported, would have resulted in the denial of the application;

(2) A material violation of Puc 909 or RSA 362-A:9, XIV; or

(3) A material violation of any commission order.

(b) The commission shall determine the period of suspension based on:

(1) The severity of the infraction;

(2) Whether the host acted in good faith;

(3) Whether other mitigating or aggravating circumstances exist; and

(4) Other relevant information pertaining to the host and its principals.

(c) A host whose registration was suspended may, at the end of the period of suspension, seek reinstatement by submitting a re-registration application under Puc 909.04.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 909.09 Form PUC 909.09 Application to Register or Re-register as a Host.

(a) An applicant for registration or re-registration as a host shall provide the commission, with a copy to the distribution utility, the following information on Form PUC 909.09:

(1) The host's name, trade name, address, service address, telephone number, e-mail address, and website address, as applicable;

(2) The name, telephone number, and e-mail address of the individual responsible for responding to commission inquiries;

(3) A list of all members in the host's group, including each member's name, billing address, service address, and projected annual load;

(4) A certification that all members and the host are default service customers of the same distribution utility;

(5) The total historic annual load and the total projected annual load of the host;

(6) The total historic annual load and the total projected annual load of the members;

(7) The fuel source of the host facility, its generation capacity, the actual annual output of the host's facility, if known, and the projected annual output of the host's facility;

(8) A certification that the total historic annual load of the members together with the host exceeds the projected annual output of the host's facility;

(9) A certification that the host has provided a copy of the application to the distribution utility; and

(10) A certification that the applicant has the authority to file the application on behalf of the host and that its contents are truthful, accurate and complete;

(b) The applicant shall sign and date the form. The form and signatures may be electronic as authorized by RSA 294-A.

(c) The individual signing the form shall certify by the individual's signature that the information on the form is true to the best of the individual's knowledge and belief.

(d) The applicant shall electronically file the form and any attachments, in a format compatible with the computer system of the commission pursuant to Puc 203.03, through the commission's website, www.puc.nh.gov . The commission shall accept the form and any attachments through the regular mail or by hand delivery if the applicant certifies it is unable to file the documents electronically.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 909.10 Form PUC 909.10 Host's Annual Report.

(a) On or before April 1 of each year, beginning the year after the host was registered, all registered hosts shall provide the commission, with a copy to the distribution utility, the following information on Form PUC 909.10 covering the immediately preceding calendar year:

(1) Any changes to the information required in Form PUC 909.09;

(2) As to those members who joined the group during the course of the immediately preceding calendar year, the effective dates of each such member's addition and each such member's name, billing address, service address, and projected annual load; and

(3) As to those members who left the group during the course of the immediately preceding calendar year, the effective date of each such departure;

(b) The host shall sign and date the annual report. The annual report and signature may be electronic as authorized by RSA 294-A.

(c) The host signing the form shall certify by that individual's signature that the information on the form is true to the best of the individual's knowledge and belief.

(d) The host shall electronically file the annual report, in a format compatible with the computer system of the commission pursuant to Puc 203.03, through the commission's website, www.puc.nh.gov . The commission shall accept the annual report through the regular mail or by hand delivery if the host certifies it is unable to file the report electronically.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

Puc 909.11 Confidentiality.

The registration and re-registration application Form Puc 909.09, the host's annual report Form Puc 909.10, the distribution utility's annual report described in Puc 909.07, and any related attachments provided to the commission shall be considered confidential and shall be released only after compliance with Puc 201.07, except that the commission shall use statistical information derived from the applications and annual reports to prepare the commission's annual report required by RSA 362-F:10, IV.

Source. #10502, INTERIM, eff 1-3-14, EXPIRES: 7-2-14

APPENDIX

Rule(s)	State Statue (RSA)	Federal Statute	Federal Regulation
Puc 902 and 909 (other specific provisions implemented by specific rules listed below)	362-A:9, X and 365:8, XII		
Puc 902.01	RSA 362-A:9, XIV(a)		
Puc 902.01	RSA 362-A:1-a		
Puc 902.02	RSA 362-A:1-a		
Puc 902.03	RSA 362-A:1-a, II-b		
Puc 902.05	RSA 374-F:2, II		
Puc 902.06	RSA 374-F:2, II		
Puc 902.09	RSA 362-A:1-a, III-a		
Puc 902.10	RSA 362-A:9, XIV(a)		
Puc 902.11	RSA 362-A:1-a, III-a		
Puc 902.12	RSA 362-A:9, XIV(a)		
Puc 902.15	RSA 362-A:9, XIV(a)		
Puc 903	RSA 362-A:9		
Puc 903.01(c)	RSA 362-A:9, III		
Puc 903.01(n)	RSA 362-A:9, XIII		
Puc 903.02(e)	RSA 374-F:7		
Puc 904.01 (a)(1)	RSA 362-A:9,I		
Puc 904.02	RSA 362-F:4, I (a) through (f), RSA 541-A:16,I(b)		
Puc 908.03	RSA 365:8,I		
Puc 908.05	RSA 541-A:30,II		
Puc 908.06	RSA 374:15		
Puc 908.07	RSA 362-A:9, I		
Puc 909.01	RSA 362-A:9, XIV		
Puc 909.02	RSA 362-A:9, XIV		
Puc 909.03	RSA 362-A:9, XIV(a)		
Puc 909.04	RSA 362-A:9, XIV(a)		
Puc 909.05	RSA 362-A:9, XIV(a)		
Puc 909.06	RSA 362-A:9, XIV(a); 362-F:10, IV		
Puc 909.07	RSA 362-A:9, XIV(c)		
Puc 909.08	RSA 362-A:9, XIV(e)		
Puc 909.09	RSA 362-A:9, XIV(a)		
Puc 909.10	RSA 362-A:9, XIV(a); 362-F:10, IV		
Puc 909.11	362-F:10, IV; 365:8, IV and XIV		

Appendix B: PUC 902 & 909

Readopt with amendments Puc 902 and Puc 909, effective 1/3/14 (Document #10502, Interim), cited and to read as follows:

CHAPTER Puc 900 NET METERING FOR CUSTOMER-OWNED RENEWABLE ENERGY GENERATION RESOURCES OF 1,000 KILOWATTS OR LESS

PART Puc 902 DEFINITIONS

Puc 902.01 "Agreement" means the written agreement signed by the host and by each group member as required by RSA 362-A:9, XIV for the purpose of controlling energy costs of the group.

Puc 902.02 "Combined heat and power system" means a "combined heat and power system" as defined in RSA 362-A:1-a, I-d, namely "a new system installed after July 1, 2011, that produces heat and electricity from one fuel input using an eligible fuel, without restriction to generating technology, has an electric generating capacity rating of at least one kilowatt and not more than 30 kilowatts and a fuel system efficiency of not less than 80 percent in the production of heat and electricity, or has an electric generating capacity greater than 30 kilowatts and not more than one megawatt and a fuel system efficiency of not less than 65 percent in the production of heat and electricity. Fuel system efficiency shall be measured as usable thermal and electrical output in BTUs divided by fuel input in BTUs."

Puc 902.03 "Customer-generator" means "eligible customer-generator" as defined in RSA 362-A:1-a, II-b, namely "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, that is located behind a retail meter on the customer's premises, 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."

Puc 902.04 "Default service" means energy supply services provided by a distribution utility which includes a rural electric cooperative for which a certificate of deregulation is on file with the commission.

Puc 902.05 "Distribution utility" means the company that owns and/or operates the distribution facilities delivering electricity to the customer-generator's premises, and includes a rural electric cooperative for which a certificate of deregulation is on file with the commission.

Puc 902.06 "Electric utility customer" as used in the definition of "customer-generator" means any retail ratepayer of a distribution utility.

Puc 902.07 "Electricity suppliers" means "electricity suppliers" as defined in RSA 374-F:2, II, namely "suppliers of electricity generation services and includes actual electricity

generators and brokers, aggregators, and pools that arrange for the supply of electricity generation to meet retail customer demand, which may be municipal or county entities."

Puc 902.08 "Eligible fuel" means "eligible fuel" as defined in RSA 362-A:1-a, II-c, namely, "natural gas, propane, wood pellets, hydrogen, or heating oil when combusted with a burner, including air emission standards for the device using the approved fuel."

Puc 902.09 "Facility" means the energy generating equipment interconnected with the electric distribution system through one or more meters that the distribution utility has installed, or would have installed, in the normal course of its business.

Puc 902.10 "Generating capacity" means, for inverter based units, the kilowatt rating of the inverters, and for other interconnections, the kilowatt rating of the generating facility.

Puc 902.11 "Group" means one or more members who are default service customers of the same distribution utility who have signed an agreement with a host as required by RSA 362-A:9, XIV. A group can include a host and a member that are the same entity or person.

Puc 902.12 "Heat led" means "heat led" as defined in RSA 362-A:1-a, II-d, namely, "that the combined heat and power system is operated in a manner to satisfy the heat usage needs of the customer-generator."

Puc 902.13 "Host" means a customer-generator that elects to assume the duties and obligations of RSA 362-A:9, XIV, who is, and who remains during the term of the agreement, a default service customer of the same distribution utility as the group.

Puc 902.14 "Islanding" means a condition in which a portion of the utility system that contains both load and dispersed generation is isolated from the remainder of the utility system.

Puc 902.15 "Large customer-generator" means a customer-generator defined under Puc 902.03 whose facility has a total peak generating capacity greater than 100 kilowatts (kW) up to and including one megawatt (MW).

Puc 902.16 "Member" means a default service customer of the same distribution utility as the host, who signs an agreement to be a member of a group under RSA 362-A:9, XIV, who remains a default service customer of the same distribution utility as the host during its membership in the group, and, except as provided in Puc 902.10, who is not a customer-generator.

Puc 902.17 "Net energy metering" means "net energy metering" as defined in RSA 362-A:1, III-a, namely, "measuring the difference between the electricity supplied over the electric distribution system and the electricity generated by an eligible customer-generator which is fed back into the electric distribution system over a billing period."

Puc 902.18 "Renewable energy" means electricity produced by renewable resources including geothermal, tidal or wave, wind, solar, landfill gas, hydro, biomass, bio-oil, bio-synthetic gas, and biodiesel resources.

Puc 902.19 "Small customer-generator" means a customer-generator as defined by Puc 902.03 whose facility has a total peak generating capacity of not more than 100 kW.

Puc 902.20 "Witness test" means the process used by the electric utility following the interconnection of a customer-generator's generation facility to determine whether the interconnection affects the safety, reliability or power quality of the distribution system.

CHAPTER Puc 900 NET METERING FOR CUSTOMER-OWNED RENEWABLE ENERGY GENERATION RESOURCES OF 1,000 KILOWATTS OR LESS

PART Puc 909 GROUP NET METERING

Puc 909.01 Purpose.

(a) The purpose of this part is to implement 2013 N.H. Laws Ch. 266 (SB 98), "An act authorizing group net metering for limited electrical energy producers," which amended the definition of "customer-generator" in RSA 362-A:1-a, II-b, added RSA 362-A:9, XIV, and expanded the commission's reporting requirement in RSA 362-F:10, IV.

(b) The "customer's own electricity requirements" in Puc 902.03 shall include the electricity consumed in conjunction with or to operate the facility.

Puc 909.02 Applicability. Puc 909.01 through Puc 909.13 apply to customer-generators who elect to become hosts, to group members, and to distribution utilities that serve hosts and group members.

Puc 909.03 Registration and Re-registration of Hosts.

(a) To register as a host, a customer-generator shall provide the commission with the information specified in Puc 909.09, and shall simultaneously send a copy to the host's distribution utility.

(b) No customer-generator shall begin acting as a host until it has received a registration number from the commission.

(c) Unless the commission denies a host registration application for being incomplete, which denial shall be made within 60 days, the commission shall issue the host a registration number, with a copy to the distribution utility.

(d) Re-registration shall not be required so long as a registered host complies with the annual report requirements of Puc 909.07 and Puc 909.10.

(e) If a host must re-register, the host shall follow the requirements of (a) above.

(f) If a customer-generator requests that the commission issue a provisional host approval, the customer-generator shall provide the commission with the information specified in Puc 909.09 that demonstrates compliance with those requirements at a specific date in the future. Unless the commission denies a request for provisional approval for being incomplete, which denial shall be made within 60 days, the commission shall issue a provisional approval, with a copy to the distribution utility. A provisional approval shall expire in 12 months. A provisional approval does not replace the requirement to obtain a host registration number under (b) above. Prior to receiving a host registration number the customer-generator that received provisional approval shall provide the commission with updated information that demonstrates current compliance with Puc 909.09. The commission shall act upon the updated information as provided in (c) above.

(g) A host may voluntarily surrender its host registration at any time by so notifying the commission and the utility. A host that voluntarily surrenders its host registration shall not again seek registration until the passage of 12 months.

(h) Upon request, a host shall provide to the commission copies of agreements with its members and any other document related to its host status, operation of its facility, and relationship with its members.

Puc 909.04 Transfer of Registration Numbers.

(a) A registration number may be transferred by the host or by operation of law to another provided the following conditions are met:

(1) The proposed host meets the definition of Puc 902.13; and

(2) The proposed host shall serve as host of the same facility under the terms of the agreement governing the existing host and group members.

(b) Within 30 days of the transfer of the registration number, the new host shall provide the commission the following information, with a copy to the host's distribution utility:

(1) The former host's name and registration number;

(2) The new host's name, mailing address, trade name, telephone number, email address, and website address;

(3) The physical address, service address, account number(s), and meter number(s) of the facility that the new host serves;

(4) The name, telephone number, and e-mail address of the individual responsible for responding to commission inquiries after transfer of the registration number;

(5) The identity of the owner and operator of the facility after transfer of the registration number;

(6) A description of changes to the members in the group, if any, including changes in names, billing addresses, service addresses, account numbers, meter numbers, and projected annual load;

(7) A certification that all members and the new host are default service customers of the same distribution utility;

(8) A certification that the new host has provided to the host's distribution utility a copy of the notice required by this paragraph;

(9) A certification that information provided is truthful, accurate, and complete; and

(10) Except as allowed by Puc 902.11 and Puc 902.16, a certification that none of the members is a customer generator.

Puc 909.05 Agreement.

(a) The host and its members shall sign an agreement as defined in Puc 902.01 which includes at least the following:

(1) The contact information for the host and each member, including their names, billing addresses, service addresses, account numbers, meter numbers, phone numbers, email addresses, and name of distribution utility;

(2) The procedure by which the host will allocate and make payments to, and allocate and collect payments from, its members, including the frequency and manner of such payments and collection;

(3) The procedure by which members may join and leave the group, which procedure shall, at a minimum, contain the language required by Puc 909.06; and

(4) A binding process for the resolution of any disputes arising under the agreement involving the host, its members, or among members, which process does not rely on the distribution utility or the commission. This dispute resolution provision shall address disputes arising out of the member removal process required by Puc 909.06;

(b) The host and each member shall sign an agreement attesting that the information provided is true to the best of their knowledge and belief.

(c) A member may sign an agreement with more than one host, but the portions of that member's load which are allocated to each host, when combined, shall not exceed that member's total load.

(d) The requirements of this section to sign an agreement shall not apply if the host and ~~all~~ members are the same person or the same entity.

Puc 909.06 Changes in Membership.

(a) The procedure by which members are added and removed from the group shall be defined in the agreement. The agreement shall describe how members may be added, how members may leave voluntarily, and how members may be removed involuntarily.

(b) The addition of a member shall be effective on the member's first meter read date

immediately following the new member's addition.

(c) The departure of a member shall be effective on the member's last meter read date immediately preceding the member's date of departure.

(d) Departing members shall receive their allocated share of any payments due from the host, and shall be responsible for their allocated share of any payments due to the host, through the effective date of their departure. The agreement shall describe how payments are to be made between the host and members upon the departure of a member.

(e) Unless the agreement provides otherwise, in the event of a host's or member's death the meter(s) associated with that deceased host or member shall continue to be a part of the group until removed according to the terms of the agreement or by order of a court with appropriate jurisdiction. The legal representatives of deceased hosts or members shall remain bound by the terms of the agreement, unless the agreement provides otherwise.

Puc 909.07 Annual Report.

(a) Each host shall file with the commission, on or before March 15 of each year after registration, an annual report that contains the information required by Puc 909.10, and shall simultaneously send a copy to the host's distribution utility. Failure to timely file an annual report shall authorize the distribution utility to cease making the payments provided for in Puc 909.08 until the host files its annual report, as described in Puc 909.08(e) and (f).

(b) A host's registration shall expire without further action by the commission if the host fails to file an annual report by October 1 of the year the annual report is due.

(c) The commission shall notify the appropriate utilities of hosts whose registration expired under (b) above.

Puc 909.08 Duties of the Distribution Utility.

(a) Upon receipt of a host registration number, the distribution utility shall thereafter pay the host for the host's surplus generation at the end of each billing cycle. The first payment shall be due for the billing cycle beginning with the meter read date immediately following the effective date of the host's registration, unless the meter read date is less than 5 business days after the effective date, in which case the first payment shall be due for the billing cycle beginning with the next meter read date.

(b) For hosts that are small customer-generators, the payments shall be equal to all charges that are based on kilowatt hour usage.

(c) For hosts that are large customer-generators, the payment shall be equal to the distribution utility's default service rate.

(d) For all hosts, by June 1 of each year the distribution utility shall determine for the

prior year whether the host's surplus generation exceeded the group's total electricity use. If so, the host shall only be entitled to compensation for that excess generation at the avoided cost or default service rate. For purposes of calculating the payment adjustment of this paragraph, the distribution utility shall be bound by its election pursuant to Puc 903.02(k) of the avoided cost rate calculated by the commission, or by the distribution utility for each specific host, or the distribution utility's default service rate. The distribution utility shall calculate whether it overpaid the host for that excess generation according to the rates in (b) and (c above), and bill the host accordingly.

(e) If the host's registration is suspended under Puc 909.11, or if the host fails to timely file an annual report required by Puc 909.07(a), the distribution utility shall cease making payments due under this chapter beginning with the billing cycle that starts with the meter read date immediately following the date of suspension or the due date for the annual report.

(f) If the utility ceased making payments under (e) above, the distribution utility shall restart monthly payments beginning with the billing cycle that starts with the meter read date immediately following the host's re-registration or filing of its annual report, as applicable. The host shall not be entitled to payment for any unpaid billing cycles that resulted from suspension or from a failure to timely file annual reports.

(g) Any distribution utility serving registered hosts shall file an annual report with the commission on or before June 1 of each year, beginning June 1, 2015, covering the immediately preceding calendar year, which report shall describe the number and location of all registered group host facilities it serves, the generating capacity and renewable source of each facility, the payments to each facility, and the total load of the members for each facility, and the load of each host.

(h) Any distribution utility that seeks to impose upon hosts the costs necessary to upgrade its information systems in order to implement group net metering as authorized by RSA 362-A:9, XIV(d), shall, within 90 days of the effective date of this rule, file with the commission sufficient information for the commission to determine whether the proposed costs are reasonable. Upon receipt of that filing, the commission shall open a docket and expeditiously determine the distribution utility's reasonable costs necessary to upgrade its information systems in order to implement this chapter, and determine how to allocate those costs among hosts.

(i) For any existing net metering customer-generator who becomes a host under this chapter, the distribution utility shall close out that customer-generator's net metering account, make any payments or bill credits due under Puc 903.02(h) using the prior year's avoided cost rate within 60 days of receiving the host's registration number, and commence the host's group net metering account. Puc 903.02(l) shall not apply to an existing net metering customer who becomes a host.

Puc 909.09 Application to Register or Re-register as a Host.

(a) An applicant for registration or re-registration as a host shall provide the commission, with a copy to the distribution utility, the following information:

(1) The host's name, trade name, address, service address, telephone number, e-mail address, website address, name of distribution utility, meter number, and account number;

(2) The name, telephone number, and e-mail address of the individual responsible for responding to commission inquiries;

(3) The identity of the owner and operator of the facility;

(4) A list of all members in the host's group, including each member's name, billing address, service address, account number, meter number, and projected annual load;

(5) A statement that all members and the host are default service customers of the same distribution utility;

(6) The total historic annual load and the total projected annual load of the host;

(7) The total historic annual load and the total projected annual load of the members;

(8) The fuel source of the host facility, its generating capacity, the actual annual output of the host's facility, if known, and the projected annual output of the host's facility;

(9) A statement that the total historic annual load of the members together with the host exceeds the projected annual output of the host's facility;

(10) A statement that the host has provided a copy of the application to the distribution utility;

(11) A statement that the applicant has the authority to file the application on behalf of the host and that its contents are truthful, accurate, and complete; and

(12) Except as allowed by Puc 902.10 and Puc 902.16, a certification that none of the members is a customer generator.

(b) The applicant shall sign and date the document.

(c) The individual signing the document shall state that the information provided is true to the best of the individual's knowledge and belief.

(d) The applicant shall electronically file the document and any attachments, in a format compatible with the computer system of the commission pursuant to Puc 203.03, or

through the following email address: PUCGroupNetMetering@puc.nh.gov. The commission shall accept the document and any attachments through the regular mail or by hand delivery if the applicant is unable to file the documents electronically.

Puc 909.10 Host's Annual Report.

(a) On or before April 1 of each year, beginning the year after the host received a registration number, all hosts shall provide the commission, with a copy to the distribution utility, an annual report containing the following information, covering the immediately preceding calendar year:

(1) Any changes to the information required by Puc 909.09;

(2) As to those members who joined the group during the course of the immediately preceding calendar year, the effective dates of each such member's addition and each such member's name, billing address, service address, meter number, account number, and projected annual load;

(3) As to those members who left the group during the course of the immediately preceding calendar year, the effective date of each such departure, the departing member's name, billing address, service address, meter number, and account number; and

(4) A calculation, with supporting documents, of the total electricity generated by the host's facility, the host's load, the load of each member used to offset the host's generation, and the combined load of all the members.

(b) The host shall sign and date the annual report.

(c) The host signing the annual report shall state that the information in the annual report is true to the best of the individual's knowledge and belief.

(d) The host shall electronically file the annual report, in a format compatible with the computer system of the commission pursuant to Puc 203.03, or through the following email address: PUCGroupNetMetering@puc.nh.gov. The commission shall accept the annual report through the regular mail or by hand delivery if the host is unable to file the report electronically.

Puc 909.11 Sanctions for Failure to Comply.

(a) The commission shall suspend a host's registration for a period of no more than 2 years, after notice and an opportunity to be heard, for any of the following:

(1) A material misrepresentation of information required by Puc 909.09 which, if accurately reported, would have resulted in the denial of the application;

(2) A material violation of Puc 909 or RSA 362-A:9, XIV; or

(3) A material violation of any commission order.

(b) The commission shall determine the period of suspension based on:

(1) The severity of the infraction;

(2) Whether the host acted in good faith;

(3) Whether other mitigating or aggravating circumstances exist; and

(4) Other relevant information pertaining to the host and its principals.

(c) The commission shall notify the appropriate utility of any host suspension.

(d) A host whose registration was suspended may, at the end of the period of suspension, seek reinstatement by submitting a re-registration application under Puc 909.04.

Puc 909.12 Confidentiality.

The registration and re-registration applications, the host's annual report, the distribution utility's annual report described in Puc 909.08(d), and any related attachments provided to the commission shall be considered confidential and shall be released only after compliance with Puc 201.07, except that the commission shall use statistical information derived from the applications and annual reports to prepare the commission's annual report required by RSA 362-F:10, IV.

Puc 909.13 Electronic Documents and Signatures. All documents and signatures referenced in this chapter may be electronic as authorized by RSA 291-A.

Appendix C: Form PUC 909.09 – Application to Register

State of New Hampshire
Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301
603-271-2431
www.puc.nh.gov

Form PUC 909.09 Application to Register or Re-register as a Host (RSA 362-A:9, XIV)

Host Information:

Host's Name and Trade Name:

Host Mailing Address

Host Service Address

Host Telephone Number Host email address Host website

Person Responsible for Responding to Commission Inquiries:

Name Telephone Number Email address

Group Member Information (attach additional sheets if necessary):

Name Billing Address

Service Address Projected annual load

Name Billing Address

Service Address Projected annual load

Name Billing Address

Service Address Projected annual load

Form PUC 909.09
Revised 1/2/2014

Host's total historic annual load _____ and projected annual load _____.

Host facility's actual output _____ and projected output _____.

Total historic annual load (combined) of all members: _____.

Total projected annual load (combined) of all members: _____.

Fuel source and generation capacity of host's facility: _____.

By signing below, I certify the following:

that each member and the host are default service customers of the same distribution utility;

that each member has signed an agreement with the host that complies with Puc 902.01;

that the total historic annual load of the members together with the host exceeds the projected annual output of the host's facility;

that I have provided a copy of this application, with any attachments, to the distribution utility;

that I have the authority to sign this application on behalf of the host; and

that the information on this form is true to the best of my knowledge and belief.

Dated:_____ _____ _____

Printed name: Signature

Notes

This document may be signed electronically, RSA 294-A.

This form and any attachments shall be filed electronically through the PUC's website, www.puc.nh.gov , in a format compatible with the computer system of the commission, Puc 203.03.

The commission shall accept this form and any attachments through the regular mail or by hand delivery if the applicant certifies it is unable to file the documents electronically.

Questions? Call the PUC at 603-271-2431 or 1-800-735-2964

Form PUC 909.09
Revised 1/2/2014

Group Member Information (continued):

Name	Billing Address	
	Service Address	Projected annual load
Name	Billing Address	
	Service Address	Projected annual load
Name	Billing Address	
	Service Address	Projected annual load
Name	Billing Address	
	Service Address	Projected annual load
Name	Billing Address	
	Service Address	Projected annual load
Name	Billing Address	
	Service Address	Projected annual load

Form PUC 909.09
Revised 1/2/2014

Appendix D: Form PUC 909.10 – Annual Report for Group Host

State of New Hampshire
Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301
603-271-2431
www.puc.nh.gov

Form PUC 909.10 Annual Report for Group Hosts (RSA 362-A:9, XIV)

This form is due April 1 with a copy to the distribution utility.
The distribution utility will stop making monthly payments if this form is not timely filed.

This Report Pertains to Calendar Year _____.

Host information:

Provide any changes in the host's name, trade name, mailing address, service address, telephone number, email address and/or website:

_____

_____

Person Responsible for Responding to Commission Inquiries:

Provide any changes in the person responsible for responding to commission inquiries:

_____

Group Member Information (attach additional sheets if necessary):

Provide any changes in the information pertaining to current group members, including changes to their names, billing or service addresses, or actual or projected annual loads:

_____

_____

_____

For any member(s) who left the group during the calendar year covered by this annual report, please state their name(s) and provide the effective date that the member(s) left the group:

_____

_____

Form PUC 909.10
Revised 1/2/2014

For any member(s) who joined the group during the calendar year covered by this annual report, please state the effective date of when the member(s) joined the group, and provide the following for each new member: name, billing address, service address and actual or projected annual load.

_____

_____

_____

_____

State the host's actual annual load for the calendar year covered in this report:_____.

State the host's actual output for the calendar year covered in this report: _____.

State the actual annual load (combined) of all the members for the calendar year covered in this report: _____.

Describe any substantial change in the host's facility:_____
_____.

By signing below, I certify the following:

that each member and the host are default service customers of the same distribution utility and have signed an agreement that complies with Puc 902.01;

that I have provided a copy of this annual report to the distribution utility;

that I have the authority to sign this annual report on behalf of the host; and

that the information on this form is true to the best of my knowledge and belief.

Dated:_____ _____ _____
Printed name: Signature

Notes

This document may be signed electronically, RSA 294-A.

This annual report is due April 1 and shall be filed electronically through the PUC's website, www.puc.nh.gov, in a format compatible with the computer system of the commission, Puc 203.03.

The commission shall accept this form and any attachments through the regular mail or by hand delivery if the applicant certifies it is unable to file the documents electronically.

Questions? Call the PUC at 603-271-2431 or 1-800-735-2964

Form PUC 909.10
Revised 1/2/2014

Appendix E: Group Agreement

GROUP NET METERING AGREEMENT
[TEMPLATE]

This Group Net Metering Agreement (this "Agreement") is by and between **[INSERT HOST NAME]** (the "Host") and **[INSERT MEMBER(S) NAME(S)]** (the "Member") (together referred to as "Parties" and each individually as a "Party") and is effective and binding on the Parties as of the date hereof.

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Background

1. The Host has installed and commissioned a net metering facility with a nominal capacity of **[INSERT FACILITY CAPACITY]** kW, located in **[INSERT TOWN]**, New Hampshire (the "Facility").

2. The Host and the Member are each customers of the Utility (as defined below).

3. The Facility is a group net metering system is authorized pursuant to RSA 362-A:9 and Puc 900 ("the "Group Net Metering System").

4. The Host is an "eligible customer-generator" as defined in RSA 362-A:1-a, II-b and Puc 902.03.

5. The Member desires to become a "Member" as defined in Puc 902.16 ("Group Member").

6. Becoming a Member of the Group Net Metering System will entitle Member to certain benefits available under New Hampshire law and under regulations established by the Public Utility Commission (the "Commission" or "PUC") for group net metering generation systems.

9. The Host and the Member have accordingly entered into this Agreement to establish the terms and conditions under which Member may enjoy the benefits of being a group member in exchange for compensation to the Host as specified herein.

N O W, T H E R E F O R E,

In consideration of the mutual covenants and agreements herein set forth, the Parties hereby agree as follows:

Section 1. **Definitions**. Capitalized terms used herein but not otherwise defined shall have the following meanings:

"Administrator" shall mean the person or persons designated by the Host from time to time, in its sole discretion, as the administrator and designated person to make all required filings with the Commission on behalf of the Host and the Group Net Metering System. The initial Administrator is **[INSERT NAME OF ADMIN.]**.

"Commission" shall have the meaning set forth in the Background Section to this Agreement.

"Facility" shall have the meaning set forth in the recitals to this Agreement.

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"Group Net Metering System" shall have the meaning set forth in the Background Section to this Agreement.

"Group Member" shall have the meaning set forth in the Background Section to this Agreement.

"Group Net Metering Arrangement" means an agreement between one or more electric utility customers, located within the same electric company service territory, to combine electricity meters in order to share and allocate electricity generated by a net metering facility.

"Host" shall have the meaning given in the introductory paragraph to this Agreement.

"Meters" shall have the meaning given in Section 3.

"Notice" shall have the meaning given in Section 13.

"REC" shall have the meaning given in Section 10 of this Agreement.

"Surplus Generation" means electricity generated by the Facility in excess of the Host's electric usage measured at the end of the Utility's billing cycle.

"Net Metering Rate" shall have the meaning as defined in RSA 362-A:9, IV(a) and (b) and Puc 909.08.

"Utility" means the retail electric company serving Host and the Member. The Utility is currently **[INSERT UTILITY]**, and all of the Meters are currently serviced by the Utility.

Section 2. **Group Net Metering Agreement**. This Agreement creates an obligation by the Member to pay the Host for the benefit of electricity generated by the Facility, and for the Host pay the Member for its proportionate share of the Surplus Generation created by the Facility. The Administrator of shall administer this Group Net Metering Arrangement in accordance with this Agreement and applicable law.

Section 3. **Electricity Meters in Group.**

(a) The Parties hereto agree that the electricity meters (the "Meters") listed in Schedule A to this Agreement shall be included as a part of this Group Net Metering Arrangement. Schedule A shall be amended for time to time as Meters are added and removed from the Ground Net Metering Arrangement.

(b) During the Term of this Agreement, the Host shall not add or remove any Meter without the Member's consent; provided, however, that the Host shall not need consent from the Member to add one or more Meters if there is excess capacity from the Facility equal to the amount assigned to the new Meter or Meters. Additionally, the Host shall be entitled to add or remove any Meter from the group upon the occurrence of a Member Event of Default, the termination of this Group Net Metering Agreement, or the expiration of the Term.

(c) With consent from the Host, a Member may remove one or more its Meters from the Group Net Metering Arrangement. The Member removing its Meter or Meters shall receive their allocated share of any payments due from the Host, and shall be responsible

for their allocated share of any payments due to the Host, through the effective date of the removal of their Meter or Meters. Such payments due from the Host shall be made within thirty (30) days of the effective date of the removal of the Meter or Meters and payments due to the Host shall be made within thirty (30) days from the Utility's notice of payment due pursuant to Puc 909.08(d).

(d) The Administrator shall provide information related to the addition or removal of any Meters in the Annual Report required by Puc 909.10.

Section 4. **Allocation of Funds Credited by Utility for Surplus Generation**.

(a) Allocation of Surplus Generation. If the monthly electricity generated by the Facility exceeds the monthly electric usage by the Host at the Host's Generation Meter and the Utility makes a payment to the Host as is required by Puc 909.08 ("Surplus Generation Payment"), within ten (10) days of receipt of the Surplus Generation Payment, the Host shall provide a payment to the Member according to the allocation method described in Schedule B.

(b) Within ten (10) days of receiving from the Utility the annual true-up calculation and bill required by Puc 909.08(d), the Host shall provide to the Member a copy of such calculation and bill along with an explanation whether the Member is entitled to some or all of the payment from the Utility or whether the Member is required to pay some or all of the true-up payment due to the Utility. If payment is due from the Utility, the Member shall be entitled to **[INSERT METHOD OF ALLOCATION OF PAYMENT TO HOST/MEMBER]**. If a payment is due to the Member, the Host shall forward such payment to the Member within five (5) days of receiving such payment from the Utility. If the payment is due to the Utility, the Member shall be responsible for **[INSERT METHOD OF ALLOCATION OF PAYMENT TO UTILITY]**. If the payment is due from the Member, the Member shall make such payment to the Host within five (5) days of receiving notice of the payment requirement from the Host.

(c) Late Payments. The Member shall be entitled to charge interest at the rate equal to the lesser of: (i) one percent (1%) per month; or (ii) the maximum provided by law, for late payments hereunder. In the event that the last day that payment must be so made falls on a weekend or state or federal holiday, the payment shall be due on the next business day. This late payment charge shall be imposed upon the unpaid balance, including any prior unpaid late payment charges and shall be assessed on such unpaid balances once each month after it is initially imposed on an unpaid balance, so long as a balance remains unpaid.

Section 5. **Payment for Surplus Generation Entitlement**.

(a) Payment for Surplus Generation Entitlement. The Member shall pay to the Host **[INSERT COMPENSATION FOR GENERATION OUTPUT]** for its entitlement to a share of the monthly Surplus Generation. Such payment(s) shall be due **[INSERT DATE OR PAYMENT INTERVAL]**. Any payment due under this Section may be offset from a Surplus Generation Payment due to the Member.

(b) Late Payments. The Host shall be entitled to charge interest at the rate equal to the lesser of: (i) one percent (1%) per month; or (ii) the maximum provided by law, for late payments hereunder. In the event that the last day that payment must be so made falls on a weekend or state or federal holiday, the payment shall be due on the next business day. This late payment charge shall be imposed upon the unpaid balance, including any prior unpaid late payment charges and shall be assessed on such unpaid balances once each month after it is initially imposed on an unpaid balance, so long as a balance remains unpaid.

Section 6. **Ownership of the Facility**. The Host owns the Facility. Nothing in this Agreement shall have the effect of passing any right, title or interest in, or liability related to, the Facility to the Member or any other person.

Section 7. **Covenants**.

(a) Reports. The Host shall provide the Member with copies of all Utility accounting of Surplus Generation and Surplus Generation Payments and all other written communications received by the Host from the Utility with respect to the Group Net Metering Arrangement within 10 business days of receipt thereof.

(b) Exclusivity. The Member shall not enter into a Group Net Metering Arrangement with any other person or entity for the Meters referenced in Section 3 above during the Term.

(c) Utility. The Host and the Member shall each remain a Customer of the Utility in good standing at all times during the term, and shall not take any action to cause any Meter to be disconnected or removed from the Utility's service without the Host's prior consent. The Host and the Member shall each pay its obligations to the Utility as the same become due and payable at all times during the term.

(d) Further Assurances. The Member, from time to time on written request of the Host, shall perform such further acts, including execution of documents, as may be reasonably required in order to fully perform and to more effectively implement and carry out the terms of this Agreement, provided that such acts shall not be inconsistent with this Agreement or any law or regulatory approvals pertaining to the subject matter hereof.

(e) Authorization. The Host and the Administrator are hereby authorized to take all such additional actions, including, without limitation, making any filings and submissions to the Utility, the Commission and any other applicable regulatory bodies, individually or on behalf of the group or any Member, as may be necessary from time to time to carry out the terms of this Agreement.

Section 8. **Representations and Warranties**.

(a) The Member hereby represents and warrants to the Host as follows:

(i) Right, Power and Authority. It has full right, power and authority to enter into this Agreement and there is nothing which would prevent it from performing its obligations under the terms and conditions imposed on it by this Agreement.

(ii) Binding Obligation. This Agreement has been duly authorized by all necessary action of the Member, and constitutes a valid and binding obligation on the Member, enforceable in accordance with the terms hereof.

(b) The Host hereby represents and warrants to the Member as follows:

(i) Right, Power and Authority. It has full right, power and authority to enter into this Agreement and there is nothing which would prevent it from performing its obligations under the terms and conditions imposed on it by this Agreement.

(ii) Binding Obligation. This Agreement has been duly authorized by all necessary action of the Host, and constitutes a valid and binding obligation on the Host, enforceable in accordance with the terms hereof.

Section 9. **Term and Termination**.

(a) Term. This Agreement will have a term of **[INSERT TERM]** years from the date hereof or until the earlier termination of this Agreement pursuant to this Section 9 (the "Term").

(b) Termination by the Host. The Host shall have the right to terminate this Agreement and/or remove any Member Meter from the group upon the occurrence of any of the following events (a "Member Event of Default"):

(i) The occurrence of any payment default by the Member which is not cured within ten (10) days of notice thereof; or

(ii) Any other breach of this Agreement by the Member which is not cured within fifteen (15) days of notice thereof.

(c) Termination by the Member. The Member shall have the right to terminate this Agreement upon the occurrence of any of the following events (a "Host Event of Default"):

(i) The occurrence of any payment default by the Host which is not cured within ten (10) days of notice thereof; or

(ii) The Facility fails to generate electricity or furnish the same to the Utility during any continuous 12-month period; or

(iii) Any other breach of this Agreement by the Host which is not cured within fifteen (15) days of notice thereof from the Member.

(c) All payment obligations of the Host and the Member, and all rights and remedies of the parties hereto, arising prior to the termination of this Agreement shall survive the termination thereof.

Section 10. **Assignment**. Neither the Host nor the Member may assign or transfer this Agreement to any other another person or entity without the other Party's prior written consent, and any attempted assignment or transfer without such consent shall be void.

Section 11. **Environmental Attributes**. All mandatory or voluntary federal, state, or local rights to the Facility's green attributes, including all renewable energy credits, and any and all rebates, tax credits, and other economic benefits in connection with the Facility ("Environmental Attributes") shall remain property of Host or its successors or assigns. Host shall have the exclusive right to sell, transfer, or convey the Environmental Attributes to any other person in Host's sole discretion. Surplus Generation Payments are not Environmental Attributes.

Section 12. **Liability**. Each Party agrees to waive any claim or right against the other for consequential damages or punitive damages; and neither party shall be liable to the other (under this paragraph or otherwise) for or as a result of any proceeding in which rates are reviewed or established for either party by the Commission or similarly authorized entity. In no event shall the Host or any officer, member, manager, employee or owner thereof be liable under this agreement or otherwise in the event the Facility fails to generate electricity at any time, the Host fails to maintain any necessary license, permit or government approval, or for any error or omission in any filing or instructions submitted by or on behalf of the Host, the Administrator or the Group to the Utility or any governmental entity. Notwithstanding anything to the contrary herein, the Host's maximum liability under and in connection with this Agreement (whether in contract, tort, strict liability or otherwise) shall not exceed the aggregate amount of all Payments actually received by it from the Member pursuant hereto.

Section 13. **Notices**. All notices, requests, demands, claims and other communications (each, a "Notice") hereunder shall be in writing, addressed to the intended recipient as set forth below:

If to the Host: **[INSERT HOST CONTACT INFO, INCLUDE PHONE AND E-MAIL]**

If to the Member: **[INSERT MEMBER CONTACT INFO, INCLUDE PHONE AND E-MAIL]**

Or to such other person, address or number as the party entitled to such Notice shall have specified by notice to the other party given in accordance with the provisions of this Section. Any such Notice shall be deemed duly given on the earliest of: (i) when delivered personally to the recipient; (ii) one (1) business day after being sent to the recipient by reputable overnight courier services (charges prepaid); (iii) one (1) business day after being sent to the recipient by facsimile transmission; or (iv) four (4) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid.

Section 14. **Entire Agreement; Amendment**. This Agreement, including any exhibits, schedules and attachments, supersedes all prior agreements, whether written or oral, between the parties with respect to its subject matter, and there are no covenants, promises, agreements, conditions or understandings, written or oral, except as herein set forth. This Agreement may not be amended, waived or modified except by an instrument in writing executed by the party against whom such amendment, waiver or modification is to be enforced.

Section 15. **Severability; Construction**. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Any provision of this Agreement that is not essential to the purpose of this Agreement that is declared or rendered unlawful, invalid or unenforceable by any applicable court

of law or regulatory agency or deemed or rendered unlawful, invalid or unenforceable because of a statutory or regulatory change, including, without limitation, any order of the Commission or any change in the Utility's tariff regarding Group Net Metering (individually or collectively, such events referred to as a "Regulatory Event") will not otherwise affect the remaining lawful obligations that arise under this Agreement; further, if a Regulatory Event occurs, the parties shall use their best efforts to reform the Agreement in order to give effect to the original intention of the parties. Notwithstanding the foregoing, or anything else in the Agreement to the contrary, in the event that, as a result of a Regulatory Event, a party (the "Excused Party") is excused from any payment or performance obligation, the other party shall be correspondingly excused from any payment or performance obligation that would have arisen but for the failure or inability of the Excused Party to perform. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only.

Section 16. **Waiver of Rule of Construction**. The Parties waive the benefit of any rule that this Agreement is to be construed against one party or the other.

Section 17. **Effect of Agreement**. This Agreement shall not be construed as a contract of agency, guaranty, indemnification, partnership or joint venture.

Section 18. **Fees and Expenses**. Each Party will bear its own fees and expenses incurred in the transactions contemplated by this term sheet.

Section 19. **Governing Law**. This Agreement shall be governed and construed in accordance with the laws of the State of New Hampshire, without giving effect to principles of conflict of laws that would require the application of any other law. In the event of any amendment or repeal of the governing law that alters the fundamental purpose and intent of this Agreement, the parties shall work in good faith to address any equitable issues that arise and maintain the central purpose of the Agreement.

Section 20. **Confidentiality**. Member acknowledges that it will have access to information that is treated as confidential and proprietary by Host, including, without limitation, the existence and terms of this Agreement, trade secrets, technology, and information pertaining to business operations and strategies of Host, in each case whether spoken, written, printed, electronic or in any other form or medium (collectively, the "Confidential Information"). Member agrees to treat all Confidential Information as strictly confidential, not to disclose Confidential Information or permit it to be disclosed, in whole or part, to any third party without the prior written consent of Host in each instance, and not to use any Confidential Information for any purpose except as required in the performance of this Agreement or otherwise required by law. Member shall notify Host immediately in the event it becomes aware of any loss or disclosure of any Confidential Information. Confidential Information shall not include information that: (a) is or becomes generally available to the public other than through breach of this Agreement; or (b) is communicated by a third party that had no confidentiality obligations with respect to such information. Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation or order.

Section 21. **Dispute Resolution**. The Parties shall attempt in good faith to resolve all disputes arising under or with respect to this Agreement promptly by negotiation, as follows. A Party may give the other Party written notice of any dispute not resolved in the normal course of business. Representatives of both Parties shall meet at a mutually acceptable time and place within fifteen (15) business days after delivery of such notice, and thereafter as often as they

reasonably deem necessary, to exchange relevant information and attempt to resolve the dispute. If the Parties cannot resolve the dispute in this manner, they shall refer the dispute to a meditator. If the designated representatives and mediation fail to resolve the dispute within sixty (60) days after the delivery of notice of dispute, then either Party may initiate arbitration as provided below. Arbitration shall take place at a place of the Parties' choosing in accordance with the Commercial Arbitration Rules or equivalent of the American Arbitration Association, and judgment entered upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. Notice of a demand for arbitration must be delivered to the other Party to this Agreement within one hundred twenty (120) days after the delivery of the notice of dispute. Notwithstanding the above, arbitration shall not be initiated if, on the date of the demand for arbitration, the institution of legal or equitable proceedings based on the controversy is barred by the applicable statute of limitations.

[Signature Page Follows on Separate Page]

IN WITNESS WHEREOF the parties do hereby execute this Agreement as of the ____ day of _____, 2014.

HOST:

[INSERT NAME OF HOST]

_____
Witness

By: _____
Name: _____
Title: _____

MEMBER:

[INSERT NAME OF MEMBER]

_____
Witness

By: _____
Name: _____
Title: _____

Schedule A

The Parties hereto agree that the following electricity meters (the "Meters") shall be included as a part of this Group Net Metering Arrangement:

(1) The Host's generation meter, account number **[INSERT HOST ACCOUNT NUMBER]**, meter number **[INSERT HOST METER NUMBER]**, service address **[INSERT HOST SERVICE ADDRESS]** for electricity produced by the Facility (the "Host Generation Meter");

(2) The Member's use meter, account number **[INSERT MEMBER ACCOUNT NUMBER]**, meter number **[INSERT MEMBER METER NUMBER],** service address **[INSERT MEMBER SERVICE ADDRESS]** (the "Member Use Meter");

(3) **[INSERT OTHER METERS]**.

Schedule B

The Host shall provide a payment to the Member according to the following allocation method:

(i) **[INSERT ALLOCATION TO HOST (E.G., PERCENTAGE, FLAT RATE)]**;

(ii) **[INSERT ALLOCATION TO MEMBER]**; and

(iii) **[INSERT ALLOCATIONS TO OTHER MEMBERS, IF ANY]**.

If there is no Surplus Generation in any Utility billing period, no Surplus Generation Payment shall be due to the Member for that billing period.

Appendix F: Example LLC Document for 3rd Party Ownership

To be included in Final Release Version.

And released for availability on NHSEA Website.

Appendix G: Example Modeling Spreadsheet

Active spreadsheet available from NHSEA Website.

The following report is an educational tool intended to suggest potential planning ideas and concepts that may be of benefit for community energy projects. This report provides broad and general guidelines on the advantages of certain energy project concepts and does not constitute a recommendation of any particular method, model or structure. We recommend that you seek professional legal, financial and engineering advice prior to initiating a community energy project. This report and accompanying spreadsheet and other tools is not intended to provide legal, accounting, financial, tax or other advice. Rather, the report and the illustrations therein provide a summary of certain potential strategies. The reports provide projections based on various assumptions and are therefore hypothetical in nature and not guarantees of investment returns. You should consult your tax and/or legal advisors before implementing any transactions and/or strategies concerning your finances.

NH Sustainable Energy Association

New Hampshire Community Energy & Group Net Metering Guidebook

NHSEA
12-1-2014

Planning Spreadsheet
Community Solar Project

Blue — User entry
Black — Calculated - NO ENTRY
Red — Negative

System Size (kw) 60

State Rebate (per watt) $0.75
Commercial & Industrial Rebate
Residential Rebate

System Cost
Equipment $2.50
Installation $1.00
Developer Costs (all other) 10%

Expenses
Insurance (per kw) $ 6.00
Operations & Maintenance (per kw) $ 4.00
Inverter Replacement (Pmt yrs 10-15) $ 550.0

Investor Request & Ownership Details
Total Project Costs $186,000
% Equity 50%
Equity Investment $93,000
% Debt 50%
Loan Amount $93,000
Rate 9.00%
Term (years) 10
Tax Liability of Member & Owner 20%
Depreciation yes
*only items in blue required to change to see impact on IRR

yes
no

Assumptions
- Host or system owner can take full 30% ITC.
- System is eligible for full NH rebate.
- Depreciation is entered manually.
- PPA rate and utility rate are the same.
- Host pays full rate for energy and participates in share of rebates.
- All expenses of system cost are paid prior to rebate.
- LLC is formed with each group member share equal to investment share

Group Results

	% Share	GC
$93,000 Equity Investment		
10 Group Members (includes Owner)	9	81.81818
20 Owner ratio to group level (enter 1 for same - 1.5 for 150% share, etc)	18.2	18.2
$8,455 Investment per member		100
$18,600 Investment for Owner		
$93,000 Total Investment		

	Year1	Year 2	Year 3	Year 4	Year 5	Year 6	Year7	Year 8	Year 9	Year10	Total
Group Member Rebate	$41	$72	$85	$88	$110	$123	$137	$150	$164	$241	$1,241
Owner rebate	$122	$145	$170	$195	$221	$247	$273	$300	$327	$482	$2,482
Group Member Tax Credit	$6,300										$6,300
Owner Tax Credit	$12,600										$12,600
Group Member Tax Deduction (Depreciation Source)	$714	$1,142	$685	$411	$411	$206	$0	$0	$0	$0	$3,570
Owner Tax Deduction (Depreciation Source)	$1,428	$2,285	$1,371	$823	$823	$411	$0	$0	$0	$0	$7,140
Group Member Return	$7,075	$1,215	$770	$559	$522	$329	$137	$150	$164	$241	$11,111
Owner Return	$14,150	$2,429	$1,541	$1,018	$1,043	$658	$273	$300	$327	$482	$22,222

System Details

System Size (kw) & Production	Equipment cost $/W	Labor Cost $/W	Developer fee	Total Cost
60	$2.50	$1.00	10%	$5.85
69,000	$150,000	$60,000	$21,000	$231,000
				Depreciati on $186,350

Cash Flow

		ITC
Total Costs	$231,000	
NH PUC Rebate	($45,000)	30%
		$69,300
REMAINING CASH BALANCE	$186,000	

Investor Return

		1- YY Return																		20-YY Return
Investment Amount	-$93,000	$114,589	$14,028	$9,029	$6,042	$6,097	$2,869	$839	$1,039	$1,264	$2,057	$9,515	$9,638	$9,764	$9,890	$10,019	$9,589	$9,720	$9,854	$9,988	$10,125	$255,901
IRR 5-Year		4.3%																				5% $68,399.78
IRR 10-Year		4.3%																				

Financing Cash Flow & Returns

System Assumptions																					
Coefficient	1.15																				
PPA/Utility Rate	$0.15																				
Escalator	20%																				
SREC Price	$40.00																				
Degradation	0.50%																				
Years		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	TOTAL
	PUC Rebate	$45,000																				
	PPA Income	$10,350	$10,504	$10,661	$10,821	$10,983	$11,148	$11,310	$11,479	$11,650	$11,826	$12,000	$12,179	$12,360	$12,544	$12,731	$12,921	$13,113	$13,309	$13,507	$13,709	239,994
	SREC Income	$2,760	$2,746	$2,746	$2,746	$2,746	$2,746	$2,746	$2,746	$2,746	$2,746											27,476
	Energy Income	$15,110	$15,260	$15,407	$15,566	$15,727	$15,891	$14,057	$14,225	$14,396	$14,570	$12,000	$12,179	$12,360	$12,544	$12,731	$12,921	$13,113	$13,309	$13,507	$13,709	
Total Incomes:		$58,110	$13,250	$13,407	$13,566	$13,727	$15,891	$14,057	$14,225	$14,396	$14,570	$12,000	$12,179	$12,360	$12,544	$12,731	$12,921	$13,113	$13,309	$13,507	$13,709	311,570
	O&M expenses:	($240)	($247)	($255)	($263)	($270)	($278)	($287)	($295)	($304)	($313)	($323)	($332)	($342)	($352)	($363)	($374)	($385)	($397)	($409)	($421)	(6,446)
	Administrative Fee CRM/Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
	Insurance expenses:	($360)	($371)	($382)	($393)	($405)	($417)	($430)	($443)	($456)	($470)	($484)	($498)	($513)	($528)	($544)	($561)	($578)	($595)	($613)	($631)	(9,673)
	Bank* PLI	($11,837)	($11,837)	($11,837)	($11,837)	($11,837)	($11,837)	($11,837)	($11,837)	($11,837)	($11,837)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($118,366)
	Inverter expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$700	$700	$700	$700	$700	$700	$700	$0	$0	$0	$0	4,200
Total Expenses:		($12,437)	($12,455)	($12,473)	($12,493)	($12,511.3)	($12,532.3)	($12,553)	($12,575)	($12,597)	($11,620)	($807)	($830)	($855)	($880)	($907)	($935)	($963)	($992)	($1,021)	($1,052)	($130,291)
Bank DTI		481%	112%	113%	115%	116%	117%	118%	120%	122%	125%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Gross Cash Flow		$45,673	$796	$933	$1,073	$1,215	$3,358	$1,503	$1,650	$1,799	$2,950	$11,193	$11,348	$11,505	$11,664	$11,824	$11,986	$12,150	$12,317	$12,486	$12,656	181,279
Cumulative Cash Flow			$46,469	$47,402	$48,475	$49,690	$53,048	$54,551	$56,201	$58,001	$60,951	$72,145	$83,493	$94,997	$106,661	$118,484	$130,470	$142,620	$154,937	$167,423	$180,079	
Additional Incentives																						
ITC		$69,300																				69,300
Depreciation																						
$186,350																						0
5-YY MACRS		20.00%	32.00%	19.20%	11.52%	11.52%	5.76%															
		$39,270	$62,832	$37,699	$22,620	$22,620	$11,310															
Total Depreciation		$39,270	$62,832	$37,699	$22,620	$22,620	$11,310	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	196,350
Additional Incentives less Net Income (Taxable Income)		(1,820)	66,143	40,477	24,842	24,353	7,552	(1,420)	(1,059)	(2,675)	(2,964)	(11,193)	(11,348)	(11,505)	(11,664)	(11,824)	(11,986)	(12,150)	(12,317)	(12,486)	(12,656)	26,612
Assumed Tax Liability																						
20%																						
Cash Value of Additional Incentives / Taxes Due		68,916	13,229	8,095	4,968	4,853	1,510	(284)	(212)	(535)	(593)	(2,239)	(2,270)	(2,301)	(2,333)	(2,365)	(2,397)	(2,430)	(2,463)	(2,497)	(2,531)	74,622
Net Investor		$114,589	$14,028	$9,029	$6,042	$6,097	$2,869	$839	$1,039	$1,264	$2,057	$9,515	$9,638	$9,764	$9,890	$10,019	$9,589	$9,720	$9,854	$9,988	$10,125	255,901

Community Rebates from Project

LOAN AMORTIZATION SCHEDULE -- FIXED TOTAL PAYMENT

Amount:	$93,000
Term (in months):	120
Annual Interest Rate:	5.00%
Monthly Payment:	$986.41

	Interest	Principal	Total
2013	4,482.99	7,353.92	11,836.91
2014	4,106.75	7,730.16	11,836.91
2015	3,711.26	8,125.65	11,836.91
2016	3,295.54	8,541.37	11,836.91
2017	2,858.54	8,978.37	11,836.91

Yr.	Mo.	Period	MONTHLY Interest	MONTHLY Principal	MONTHLY Payment	CUMULATIVE Interest	CUMULATIVE Principal	CUMULATIVE Payments	Outstanding Balance
	12	0							93,000.00
2013	1	1	387.50	598.91	986.41	387.50	598.91	986.41	92,401.09
2013	2	2	385.00	601.40	986.41	772.50	1,200.31	1,972.82	91,799.69
2013	3	3	382.50	603.91	986.41	1,155.00	1,804.22	2,959.23	91,195.78
2013	4	4	379.98	606.43	986.41	1,534.99	2,410.65	3,945.64	90,589.35
2013	5	5	377.46	608.95	986.41	1,912.44	3,019.61	4,932.05	89,980.39
2013	6	6	374.92	611.49	986.41	2,287.36	3,631.10	5,918.46	89,368.90
2013	7	7	372.37	614.04	986.41	2,659.73	4,245.14	6,904.87	88,754.86
2013	8	8	369.81	616.60	986.41	3,029.54	4,861.73	7,891.27	88,138.27
2013	9	9	367.24	619.17	986.41	3,396.78	5,480.90	8,877.68	87,519.10
2013	10	10	364.66	621.75	986.41	3,761.45	6,102.65	9,864.09	86,897.35
2013	11	11	362.07	624.34	986.41	4,123.52	6,726.98	10,850.50	86,273.02
2013	12	12	359.47	626.94	986.41	4,482.99	7,353.92	11,836.91	85,646.08
2014	1	13	356.86	629.55	986.41	4,839.85	7,983.47	12,823.32	85,016.53
2014	2	14	354.24	632.17	986.41	5,194.09	8,615.65	13,809.73	84,384.35
2014	3	15	351.60	634.81	986.41	5,545.69	9,250.45	14,796.14	83,749.55
2014	4	16	348.96	637.45	986.41	5,894.64	9,887.91	15,782.55	83,112.09
2014	5	17	346.30	640.11	986.41	6,240.94	10,528.01	16,768.96	82,471.99
2014	6	18	343.63	642.78	986.41	6,584.58	11,170.79	17,755.37	81,829.21
2014	7	19	340.96	645.45	986.41	6,925.53	11,816.24	18,741.78	81,183.76
2014	8	20	338.27	648.14	986.41	7,263.80	12,464.39	19,728.19	80,535.61
2014	9	21	335.57	650.84	986.41	7,599.36	13,115.23	20,714.60	79,884.77
2014	10	22	332.85	653.56	986.41	7,932.22	13,768.79	21,701.00	79,231.21
2014	11	23	330.13	656.28	986.41	8,262.35	14,425.07	22,687.41	78,574.93
2014	12	24	327.40	659.01	986.41	8,589.74	15,084.08	23,673.82	77,915.92
2015	1	25	324.65	661.76	986.41	8,914.39	15,745.84	24,660.23	77,254.16
2015	2	26	321.89	664.52	986.41	9,236.28	16,410.36	25,646.64	76,589.64
2015	3	27	319.12	667.29	986.41	9,555.41	17,077.64	26,633.05	75,922.36
2015	4	28	316.34	670.07	986.41	9,871.75	17,747.71	27,619.46	75,252.29
2015	5	29	313.55	672.86	986.41	10,185.30	18,420.57	28,605.87	74,579.43
2015	6	30	310.75	675.66	986.41	10,496.05	19,096.23	29,592.28	73,903.77
2015	7	31	307.93	678.48	986.41	10,803.98	19,774.71	30,578.69	73,225.29
2015	8	32	305.11	681.30	986.41	11,109.09	20,456.01	31,565.10	72,543.99
2015	9	33	302.27	684.14	986.41	11,411.35	21,140.15	32,551.51	71,859.85
2015	10	34	299.42	686.99	986.41	11,710.77	21,827.15	33,537.92	71,172.85
2015	11	35	296.55	689.86	986.41	12,007.32	22,517.00	34,524.33	70,483.00
2015	12	36	293.68	692.73	986.41	12,301.00	23,209.73	35,510.73	69,790.27
2016	1	37	290.79	695.62	986.41	12,591.79	23,905.35	36,497.14	69,094.65
2016	2	38	287.89	698.51	986.41	12,879.69	24,603.86	37,483.55	68,396.14
2016	3	39	284.98	701.43	986.41	13,164.67	25,305.29	38,469.96	67,694.71
2016	4	40	282.06	704.35	986.41	13,446.73	26,009.64	39,456.37	66,990.36
2016	5	41	279.13	707.28	986.41	13,725.86	26,716.92	40,442.78	66,283.08
2016	6	42	276.18	710.23	986.41	14,002.04	27,427.15	41,429.19	65,572.85
2016	7	43	273.22	713.19	986.41	14,275.26	28,140.34	42,415.60	64,859.66
2016	8	44	270.25	716.16	986.41	14,545.51	28,856.50	43,402.01	64,143.50
2016	9	45	267.26	719.14	986.41	14,812.77	29,575.64	44,388.42	63,424.36
2016	10	46	264.27	722.14	986.41	15,077.04	30,297.79	45,374.83	62,702.21
2016	11	47	261.26	725.15	986.41	15,338.30	31,022.94	46,361.24	61,977.06
2016	12	48	258.24	728.17	986.41	15,596.54	31,751.11	47,347.65	61,248.89
2017	1	49	255.20	731.21	986.41	15,851.74	32,482.31	48,334.06	60,517.69
2017	2	50	252.16	734.25	986.41	16,103.90	33,216.57	49,320.46	59,783.43
2017	3	51	249.10	737.31	986.41	16,353.00	33,953.88	50,306.87	59,046.12
2017	4	52	246.03	740.38	986.41	16,599.02	34,694.26	51,293.28	58,305.74
2017	5	53	242.94	743.47	986.41	16,841.96	35,437.73	52,279.69	57,562.27
2017	6	54	239.84	746.57	986.41	17,081.81	36,184.30	53,266.10	56,815.70
2017	7	55	236.73	749.68	986.41	17,318.54	36,933.97	54,252.51	56,066.03
2017	8	56	233.61	752.80	986.41	17,552.15	37,686.77	55,238.92	55,313.23
2017	9	57	230.47	755.94	986.41	17,782.62	38,442.71	56,225.33	54,557.29
2017	10	58	227.32	759.09	986.41	18,009.94	39,201.80	57,211.74	53,798.20
2017	11	59	224.16	762.25	986.41	18,234.10	39,964.05	58,198.15	53,035.95
2017	12	60	220.98	765.43	986.41	18,455.08	40,729.47	59,184.56	52,270.53
2018	1	61	217.79	768.62	986.41	18,672.88	41,498.09	60,170.97	51,501.91
2018	2	62	214.59	771.82	986.41	18,887.47	42,269.91	61,157.38	50,730.09
2018	3	63	211.38	775.03	986.41	19,098.84	43,044.94	62,143.79	49,955.06
2018	4	64	208.15	778.26	986.41	19,306.99	43,823.21	63,130.19	49,176.79

2018	5	65	204.90	781.51	986.41	19,511.89	44,604.71	64,116.60	48,395.29
2018	6	66	201.65	784.76	986.41	19,713.54	45,389.47	65,103.01	47,610.53
2018	7	67	198.38	788.03	986.41	19,911.92	46,177.51	66,089.42	46,822.49
2018	8	68	195.09	791.32	986.41	20,107.01	46,968.82	67,075.83	46,031.18
2018	9	69	191.80	794.61	986.41	20,298.81	47,763.43	68,062.24	45,236.57
2018	10	70	188.49	797.92	986.41	20,487.29	48,561.36	69,048.65	44,438.64
2018	11	71	185.16	801.25	986.41	20,672.45	49,362.61	70,035.06	43,637.39
2018	12	72	181.82	804.59	986.41	20,854.28	50,167.19	71,021.47	42,832.81
2019	1	73	178.47	807.94	986.41	21,032.75	50,975.13	72,007.88	42,024.87
2019	2	74	175.10	811.31	986.41	21,207.85	51,786.44	72,994.29	41,213.56
2019	3	75	171.72	814.69	986.41	21,379.57	52,601.12	73,980.70	40,398.88
2019	4	76	168.33	818.08	986.41	21,547.90	53,419.20	74,967.11	39,580.80
2019	5	77	164.92	821.49	986.41	21,712.82	54,240.69	75,953.52	38,759.31
2019	6	78	161.50	824.91	986.41	21,874.32	55,065.61	76,939.92	37,934.39
2019	7	79	158.06	828.35	986.41	22,032.38	55,893.96	77,926.33	37,106.04
2019	8	80	154.61	831.80	986.41	22,186.99	56,725.76	78,912.74	36,274.24
2019	9	81	151.14	835.27	986.41	22,338.13	57,561.02	79,899.15	35,438.98
2019	10	82	147.66	838.75	986.41	22,485.79	58,399.77	80,885.56	34,600.23
2019	11	83	144.17	842.24	986.41	22,629.96	59,242.01	81,871.97	33,757.99
2019	12	84	140.66	845.75	986.41	22,770.62	60,087.76	82,858.38	32,912.24
2020	1	85	137.13	849.27	986.41	22,907.75	60,937.04	83,844.79	32,062.96
2020	2	86	133.60	852.81	986.41	23,041.35	61,789.85	84,831.20	31,210.15
2020	3	87	130.04	856.37	986.41	23,171.39	62,646.22	85,817.61	30,353.78
2020	4	88	126.47	859.94	986.41	23,297.86	63,506.15	86,804.02	29,493.85
2020	5	89	122.89	863.52	986.41	23,420.76	64,369.67	87,790.43	28,630.33
2020	6	90	119.29	867.12	986.41	23,540.05	65,236.79	88,776.84	27,763.21
2020	7	91	115.68	870.73	986.41	23,655.73	66,107.52	89,763.25	26,892.48
2020	8	92	112.05	874.36	986.41	23,767.78	66,981.87	90,749.65	26,018.13
2020	9	93	108.41	878.00	986.41	23,876.19	67,859.87	91,736.06	25,140.13
2020	10	94	104.75	881.66	986.41	23,980.94	68,741.53	92,722.47	24,258.47
2020	11	95	101.08	885.33	986.41	24,082.02	69,626.87	93,708.88	23,373.13
2020	12	96	97.39	889.02	986.41	24,179.41	70,515.89	94,695.29	22,484.11
2021	1	97	93.68	892.73	986.41	24,273.09	71,408.61	95,681.70	21,591.39
2021	2	98	89.96	896.45	986.41	24,363.05	72,305.06	96,668.11	20,694.94
2021	3	99	86.23	900.18	986.41	24,449.28	73,205.24	97,654.52	19,794.76
2021	4	100	82.48	903.93	986.41	24,531.76	74,109.17	98,640.93	18,890.83
2021	5	101	78.71	907.70	986.41	24,610.47	75,016.87	99,627.34	17,983.13
2021	6	102	74.93	911.48	986.41	24,685.40	75,928.35	100,613.75	17,071.65
2021	7	103	71.13	915.28	986.41	24,756.53	76,843.62	101,600.16	16,156.38
2021	8	104	67.32	919.09	986.41	24,823.85	77,762.71	102,586.57	15,237.29
2021	9	105	63.49	922.92	986.41	24,887.34	78,685.64	103,572.98	14,314.36
2021	10	106	59.64	926.77	986.41	24,946.98	79,612.40	104,559.38	13,387.60
2021	11	107	55.78	930.63	986.41	25,002.77	80,543.03	105,545.79	12,456.97
2021	12	108	51.90	934.51	986.41	25,054.67	81,477.53	106,532.20	11,522.47
2022	1	109	48.01	938.40	986.41	25,102.68	82,415.93	107,518.61	10,584.07
2022	2	110	44.10	942.31	986.41	25,146.78	83,358.24	108,505.02	9,641.76
2022	3	111	40.17	946.24	986.41	25,186.95	84,304.48	109,491.43	8,695.52
2022	4	112	36.23	950.18	986.41	25,223.19	85,254.66	110,477.84	7,745.34
2022	5	113	32.27	954.14	986.41	25,255.46	86,208.79	111,464.25	6,791.21
2022	6	114	28.30	958.11	986.41	25,283.75	87,166.90	112,450.66	5,833.10
2022	7	115	24.30	962.10	986.41	25,308.06	88,129.01	113,437.07	4,870.99
2022	8	116	20.30	966.11	986.41	25,328.35	89,095.12	114,423.48	3,904.88
2022	9	117	16.27	970.14	986.41	25,344.62	90,065.26	115,409.89	2,934.74
2022	10	118	12.23	974.18	986.41	25,356.85	91,039.44	116,396.30	1,960.56
2022	11	119	8.17	978.24	986.41	25,365.02	92,017.68	117,382.71	982.32
2022	12	120	4.09	982.32	986.41	25,369.12	93,000.00	118,369.12	(0.00)
2023	1	121	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	2	122	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	3	123	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	4	124	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	5	125	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	6	126	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	7	127	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	8	128	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	9	129	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	10	130	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	11	131	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	12	132	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	1	133	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	2	134	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	3	135	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	4	136	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	5	137	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	6	138	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	7	139	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	8	140	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	9	141	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	10	142	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	11	143	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	12	144	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2025	1	145	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	2	146	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	3	147	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	4	148	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	5	149	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	6	150	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	7	151	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	8	152	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	9	153	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	10	154	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	11	155	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	12	156	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	1	157	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	2	158	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	3	159	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	4	160	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	5	161	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	6	162	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	7	163	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	8	164	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	9	165	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	10	166	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	11	167	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	12	168	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	1	169	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	2	170	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	3	171	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	4	172	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	5	173	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	6	174	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	7	175	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	8	176	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	9	177	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	10	178	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	11	179	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	12	180	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	1	181	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	2	182	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	3	183	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	4	184	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	5	185	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	6	186	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	7	187	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	8	188	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	9	189	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	10	190	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	11	191	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	12	192	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	1	193	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	2	194	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	3	195	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	4	196	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	5	197	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	6	198	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	7	199	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	8	200	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	9	201	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	10	202	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	11	203	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	12	204	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	1	205	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	2	206	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	3	207	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	4	208	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	5	209	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	6	210	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	7	211	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	8	212	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	9	213	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	10	214	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	11	215	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	12	216	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	1	217	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	2	218	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	3	219	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	4	220	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	5	221	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	6	222	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	7	223	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	8	224	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2031	9	225	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	10	226	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	11	227	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	12	228	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	1	229	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	2	230	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	3	231	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	4	232	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	5	233	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	6	234	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	7	235	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	8	236	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	9	237	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	10	238	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	11	239	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	12	240	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	1	241	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	2	242	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	3	243	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	4	244	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	5	245	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	6	246	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	7	247	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	8	248	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	9	249	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	10	250	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	11	251	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	12	252	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	1	253	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	2	254	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	3	255	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	4	256	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	5	257	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	6	258	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	7	259	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	8	260	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	9	261	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	10	262	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	11	263	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	12	264	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	1	265	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	2	266	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	3	267	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	4	268	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	5	269	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	6	270	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	7	271	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	8	272	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	9	273	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	10	274	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	11	275	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	12	276	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	1	277	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	2	278	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	3	279	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	4	280	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	5	281	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	6	282	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	7	283	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	8	284	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	9	285	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	10	286	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	11	287	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2036	12	288	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	1	289	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	2	290	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	3	291	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	4	292	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	5	293	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	6	294	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	7	295	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	8	296	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	9	297	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	10	298	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	11	299	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2037	12	300	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2038	1	301	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2038	2	302	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2038	3	303	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2038	4	304	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2038	5	305	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2038	6	306	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2038	7	307	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2038	8	308	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2038	9	309	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2038	10	310	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2038	11	311	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2038	12	312	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	1	313	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	2	314	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	3	315	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	4	316	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	5	317	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	6	318	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	7	319	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	8	320	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	9	321	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	10	322	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	11	323	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2039	12	324	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	1	325	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	2	326	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	3	327	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	4	328	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	5	329	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	6	330	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	7	331	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	8	332	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	9	333	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	10	334	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	11	335	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2040	12	336	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	1	337	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	2	338	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	3	339	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	4	340	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	5	341	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	6	342	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	7	343	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	8	344	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	9	345	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	10	346	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	11	347	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	12	348	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	1	349	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	2	350	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	3	351	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	4	352	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	5	353	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	6	354	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	7	355	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	8	356	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	9	357	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	10	358	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	11	359	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	12	360	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Utility History

	Usage	Bill	Rate
Month 1	17600	2428.80	0.138
Month 2	18720	2583.36	0.138
Month 3	25920	3576.96	0.138
Month 4	29120	4018.56	0.138
Month 5	29760	4106.88	0.138
Month 6	22560	3113.28	0.138
Month 7	20960	2892.48	0.138
Month 8	18240	2517.12	0.138
Month 9	23200	3201.60	0.138
Month 10	24000	3312.00	0.138
Month 11	25920	3576.96	0.138
Month 12	20640	2848.32	0.138
1 Year	276640	38176	

Appendix H: Example Power Purchase Agreement

The following report is an educational tool intended to suggest potential planning ideas and concepts that may be of benefit for community energy projects. This report provides broad and general guidelines on the advantages of certain energy project concepts and does not constitute a recommendation of any particular method, model or structure. We recommend that you seek professional legal, financial and engineering advice prior to initiating a community energy project. This report and accompanying spreadsheet and other tools is not intended to provide legal, accounting, financial, tax or other advice. Rather, the report and the illustrations therein provide a summary of certain potential strategies. The reports provide projections based on various assumptions and are therefore hypothetical in nature and not guarantees of investment returns. You should consult your tax and/or legal advisors before implementing any transactions and/or strategies concerning your finances.

SERVICE CONTRACT

- - -

Between: ("Owner")

AND:

("User")

DATED: _____, 201_

- - -

ARTICLE 1
DEFINITIONS

1.1 Defined Terms. Capitalized terms used in this Agreement shall have the meanings ascribed to them in this Agreement, or as otherwise set forth below:

"***Agent***" means, with respect to any Person, such Person's general partner or manager, or any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person.

"***Agreement***" means this Services Contract, including all Exhibits and attachments hereto.

"Annual Contract Payment" means the annual payment by the User to the Owner for the benefits provided in this service contract from Energy and Energy Efficiency Improvements.

"***Applicable Legal Requirements***" means any present and future law, act, rule, requirement, order, by-law, ordinance, regulation, judgment, decree, or injunction of or by any Governmental Authority, ordinary or extraordinary, foreseen or unforeseen, which may at any time be applicable to the Premises or the System, or any part thereof or to any condition or use thereof, and all licenses, permits and other governmental consents which are or may be required for the use and occupancy of the Premises for the installation, operation and maintenance of the System.

"***Appraised Value***" means the fair market value assigned to the Systems, and any other power sales agreements, emission trading agreements, renewable energy certificate sales agreements or revenue producing agreements to which Owner is a party and which are assignable to User, as determined by the Independent Appraiser.

"***Bankrupt***" means that a Party or other entity (as applicable): (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails (or admits in writing its inability) generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up, reorganization or liquidation, which proceeding or petition is not dismissed, stayed or vacated within twenty (20) Business Days thereafter; (v) commences a voluntary proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights; (vi) seeks or consents to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets; (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) inclusive; or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"***Business Day***" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday.

"***Commercial Operation***" means that the System is ready for regular, daily operation, has been connected to the Premises' electrical and thermal distribution systems, has undergone testing as

provided herein, has been accepted by User and is in compliance with Applicable Legal Requirements in all respects, and is capable of producing Electricity and/or Thermal energy.

"***Commercial Operation Date***" means the first day on which the System is ready for Commercial Operation, as certified in writing by Owner to User in the Notice of Commercial Operation and is the date when the term of the service contract payments commence.

"***Contract Year***" means the consecutive 12-month period commencing on the Commercial Operation Date.

"***Construction Commencement Date***" means the date of commencement of actual preparation or construction activities on the Premises in connection with the installation of the System.

"***Costs***" means (i) all reasonable attorneys' fees and expenses incurred by the relevant Party in connection with the termination of this Agreement, and (ii) all reasonable costs and expenses incurred by the relevant Party in removal of the System from the Premises; provided that in the case of clauses (i) and (ii), the relevant Party uses commercially reasonable effort to mitigate such Costs.

"***Delivery Point***" means the agreed location or locations on the Premises where Electricity and/or Thermal Energy is to be delivered and received under this Agreement;

"***Early Termination Date***" shall have the meaning ascribed to it in Article 7.

"***Effective Date***" is the date first set forth in the introductory paragraph of this Agreement.

"***Energy***" means the actual and verifiable amount of energy (electrical) generated by the System and delivered to User at the Delivery Point for use by User on the Premises, as metered in whole kilowatt-hours (kWh) at the Metering Device, and that conforms to the applicable LDC and/or authoritative regulatory body standards. The Energy delivered to User at the Delivery Point shall be deemed to be equal to the electric energy measured at the Metering Device; actual energy losses between the Metering Device and the Delivery Point shall not affect the Energy.

"***Environmental Attributes***" means any credit, benefit, reduction, offset, financial incentive, tax credit and other beneficial allowance that is in effect as of the Effective Date or may come into effect in the future, including, to the extent applicable and without limitation, (i) greenhouse gas offsets under the Regional Greenhouse Gas Initiative, (ii) Renewable Energy Credits or any similar credits under the laws of the State of New Hampshire or any other State or governmental jurisdiction providing for such attributes, (iii) tax credits, incentives or depreciation allowances established under any federal or State law, and (iv) other allowances howsoever named or referred to, with respect to any and all fuel, emissions, air quality, or other environmental characteristics, resulting from the use of solar generation or microturbines or the avoidance of the emission of any gas, chemical or other substance into the air, soil or water attributable to the sale of Electricity or Thermal Energy generated by the System during the Term and in which Owner has good and valid title.

"***Events of Default***" has the meaning set forth in Article 7.

"***Excess Energy***" means any Energy produced by the System in excess of the instantaneous usage requirements of User.

"Federal Energy Management Program ("FEMP")" means the program and guidance documents relative to the Department of Energy's program that describes energy performance contracts for federal agencies. FEMP guidelines are referenced specifically herein to provide the baseline and guidance for determination of savings, measurement & verification, and other requirements of the contract.

"***Force Majeure***" means any event or circumstance that prevents a Party from performing its obligations under this Agreement, which event or circumstance (i) is not within the reasonable control, and is not the result of the negligence, of the Claiming Party, and (ii) by the exercise of reasonable due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided.

"***Governmental Authority***" means the United States of America, the State of New Hampshire, and any political or municipal subdivision thereof and any agency, department, commission, board, bureau, or instrumentality of any of them, and any independent electric system operator.

"***Governmental Charges***" means all applicable federal, state and local taxes (other than taxes based on income or net worth but including, without limitation, sales, use, gross receipts or similar taxes), governmental charges, emission allowance costs, duties, tariffs, levies, licenses, fees, permits, assessments, adders or surcharges (including public purposes charges and low income bill payment assistance charges), imposed or authorized by a Governmental Authority, utility, or other similar entity, on or with respect to the Energy or this Agreement.

"***Guaranteed Annual Energy Output***" means the minimum amount of energy that is guaranteed by the Owner to be generated by the System in a Contract Year, as set forth in Exhibit B.

"***Hazardous Materials***" means those substances defined, classified, or otherwise denominated as a "hazardous substance," "toxic substance," "hazardous material," "hazardous waste," "hazardous pollutant" "toxic pollutant" or oil in the Applicable Legal Requirements or in any regulations promulgated pursuant to the Applicable Legal Requirements.

"***Independent Appraiser***" means an individual who is a member of a national accounting, engineering or energy consulting firm qualified by education, certification, experience and training to determine the value of solar generating facilities of the size and age and with the operational characteristics of the System. Except as may be otherwise agreed by the Parties, the Independent Appraiser shall not be (or within three years before his appointment have been) a director, officer or employee of, or directly or indirectly retained as consultant or adviser to, Owner, any Affiliate of Owner, or User.

"***Interest Rate***" means a fluctuating interest rate per annum equal to the sum of the lesser of (i) the Prime Rate as stated in the "Bonds, Rates & Yields" section of the The Wall Street Journal on the Effective Date and thereafter on the first day of every calendar month, plus two (2) percentage points, or (ii) the maximum rate permitted by Applicable Legal Requirements. In the event that such rate is no longer published in The Wall Street Journal or such publication is no longer published, the Interest Rate shall be set using a comparable index or interest rate selected by User and reasonably acceptable to Owner. The Interest Rate hereunder shall change on the first day of every calendar month. Interest shall be calculated daily on the basis of a year of 365 days and the actual number of days for which such interest is due.

"LDC" means the regulated electric local distribution company that provides electric distribution service to the municipality in which User is located, for the purposes of this contract the LDC is determined to be Unitil, or its assigns.

"***LDC Retail Rate***" means the average applicable all-inclusive rate (expressed on a $/kWh basis) charged by the LDC in any Contract Year for Electricity that is delivered in the municipality in which User is located, and shall include, without limitation, all electric commodity charges, transmission, distribution or other delivery charges, ancillary service charges, transition, renewable energy, efficiency, or competitive service charges, taxes, and other fees and charges in place. For the purposes of this contract additional charges from suppliers shall be included where the User secures generation of electricity from the competitive market.

"***LDC System***" means the electric distribution system operated and maintained by the LDC.

"***Metering Device***" means any and all revenue quality meters installed by Owner at or before the Delivery Point necessary or appropriate for the registration, recording, and transmission of information regarding the amount of Electricity generated by the System and delivered to the Delivery Point for use by User or otherwise for delivery into the Utility System.

"***Net Metering***" shall have the meaning set forth in NH RSA §362-A:1-a and §362-A:9, or other applicable statute and NH PUC regulations, as amended.

"Net Metering Credit" shall mean the applicable credit paid to an eligible generator set forth in NH RSA §362-A:9, or other applicable statute and NH PUC regulations, as amended.

"***Operating Strategy***" has the meaning of the agreed upon function of the system and is the basis for the Guaranteed Annual Energy Output. Excess Energy produced as a result of the

"***Outside Construction Commencement Date***" means 60 days after the Effective Date.

"***Outside Commercial Operation Date***" means the later of (i) 120 days after the Construction Commencement Date, or (ii) 180 days after the Effective Date.

"***Owner***" has the meaning set forth in the Preamble.

"***Person***" means an individual, general or limited partnership, corporation, municipal corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority, limited liability company, or any other entity of whatever nature.

"Photovoltaic" (abbreviated as "PV") refers to solar electrical generating equipment that produces electrical charge when exposed to the suns radiation.

"***Premises***" has the meaning set forth in Exhibit A, and shall include the Installation Area.

"Production Shortfall" means that portion of the electricity output that falls below the Guaranteed Annual Energy Output for the relevant generation equipment.

"Production Excess" means that portion of the electricity output above the Guaranteed Annual Energy Output for the relevant generation equipment.

"Projected Cost Avoidance" means the sum of all savings elements as determined herein. These savings determinations are based on FEMP guidelines and modeled output of electricity generation equipment.

"***Purchase Price***" shall have the meaning ascribed to it in Article 9 of this Agreement.

"***Release***" means any release, migration, seepage, discharge, disposal, leak or spill of Hazardous Materials, including without limitation as any of the foregoing may be defined in or pursuant to any of the Applicable Legal Requirements.

"***Solar Installation Location***" means the area on the Premises in which User requires the Owner to install and operate the Systems, as set forth in Exhibit A.

"State" means the State of New Hampshire.

"***System***" means the solar electric, heating system, energy efficiency improvements and microturbine generating equipment and facilities, including but not limited to the System Assets, that produces the Electricity under this Agreement, all as further set forth in Exhibit B attached hereto.

"***System Assets***" means each and all of the assets of which the System is comprised, including Owner's solar energy panels, mounting systems, carports, tracking devices, inverters, integrators, microturbines and other related equipment and components installed on the Premises, electric lines and conduits required to connect such equipment to the Delivery Point, protective and associated equipment, improvements, Metering Devices, and other tangible and intangible assets, permits, property rights and contract rights reasonably necessary for the construction, operation, and maintenance of the System.

"***System Loss***" means loss, theft, damage or destruction of the System or any portion thereof, or any other occurrence or event that prevents or limits the System from operating in whole or in part, resulting from or arising out of any cause (including casualty, condemnation or Force Majeure).

"***Term***" shall have the meaning set forth in Section 2.1 herein.

"***Termination Date***" means the earlier to occur of (i) the last day of the Term, (ii) the date of termination of this Agreement as the result of an Event of Default, and (iii) the date of termination pursuant to Article 7.

"***Termination Payment***" means an amount payable by a Party to the other Party in the event of termination of this Agreement as a result of an Event of Default, as set forth in Article 7.

"***User***" has the meaning set forth in the introductory paragraph of this Agreement and shall refer to the beneficiary of the terms of this service contract.

ARTICLE 2
FACILITY OWNERSHIP, INSTALLATION, OPERATION AND MAINTENANCE

2.1 Title. Except as otherwise set forth in this Agreement, as between the Parties during the Term of this Agreement, all ownership of and title to the System shall be with the Owner. The term of this Agreement shall be for not more than ten individual and successive years subject to Events of Non-appropriation in Article 8. Purchase options shall be available no earlier than the completion of year 6 to permit vesting of federal tax incentives.

2.2 Solar Installation Location. The area of the facilities of the User where the User requires the Owner to install, operate, maintain and repair the System on the Premises pursuant to and in strict conformance with this Agreement. User shall provide reasonable access and support as reasonably necessary to allow the Owner to fulfill this Agreement. This provision is not intended to grant a right or interest in real estate or land of the User by easement or other form of ownership. A Ground mounted array shall not violate zoning or local regulations or other restrictions of the User. A Roof installation shall not void the roof warranty and the Owner shall provide adequate security for the protection of the roof and evidence that the warranty is not voided by the installation.

2.3 Construction, Maintenance, Operations and Monitoring of System by Owner. Owner shall, at its sole cost, risk, and expense, (i) construct, operate, and maintain the System in accordance with all Operational Manuals and Manufacturer's requirements for each component of the System, Applicable Legal Requirements, in good condition and repair in accordance with applicable contractor, subcontractor and vendor warranties or guarantees, manufacturer's warranties, instruction and specifications, applicable requirements of the insurance policies maintained by User (copies of which to be provided to Owner) or Owner with respect to the System, and the terms of this Agreement, all as further set forth in Exhibits B and C attached hereto, and (ii) monitor the System performance to ensure that any System malfunction causing a loss of energy will be discovered and rectified.

2.4 Operations Manual; Training. Owner shall deliver to User an operations manual in accordance with industry standards, maintenance and parts manual covering the Systems. In addition, Owner will train User's representative(s) on business-as-usual maintenance and monitoring operations of the Systems and on emergency preparedness and response. Notwithstanding the foregoing, User shall have no right or obligation to perform any maintenance or repair on the System without Owner's prior written consent, except in the case of an emergency where immediate action on the part of User is reasonably necessary for safety reasons with respect to both persons and property.

2.5 Notice of Commercial Operation. Subject to the provisions of this Agreement, Owner shall notify and represent to User when each component of the System has achieved Commercial Operation ("***Notice of Commercial Operation***"), and shall in such notice certify to User the Commercial Operation Date for each component.

2.6 User's Right to Acquire the System. The Parties agree if this Agreement is terminated due to the expiration of its Term or any extension thereof, and User notifies Owner of User's intention to exercise the Purchase Option pursuant to Article 9, then User shall

temporarily waive Owner's duty to comply with Article 3 for a period of up to one hundred twenty (120) days following the effective date of such termination, and such waiver shall expire if, on or before the expiration of such period, User has not notified Owner of its election to exercise the Purchase Option and further extend the waiver of Owner's duty to comply with Article 3.

2.7 Installation. Owner shall be responsible for securing all necessary permits and code compliance requirements for installation and insurance during construction. Owner shall file with User weekly updates on the progress of installation. The User shall provide support and access to the facility, staff support and information in order to maintain the proper construction schedule. Installation Guidelines and Agreements are included for the Design and Construction Phase of the Contract and attached hereto as Exhibit E.

2.8 Security in Equipment. User recognizes that Owner is required to provide a security interest in the equipment and have the equipment insured to protect the financial obligations of the Owner to the financing institution for the project, as needed.

2.9 Access for Installation and Maintenance. Owner will be granted access pending notification within 24 hours and coordination with maintenance personnel. In the case of emergency or by request of USER this notice can be waived. Owner's access to the site shall be in accordance with any and all security requirements of the User, in place during the period of access, including and not limited to any requirements for notice, identification, background checks or other required clearances. A list individuals authorized for roof access will be provided to USER administration and will be kept at the front desk of USER. During construction, each morning a representative from Ayer Electric will provide a list of individuals on-site for that day and the front desk can verify their access. Other individuals seeking access to the array for educational purposes must contact USER administration for permission.

2.10 Education. An educational kiosk will be located reasonably in the User facility and will have a touch screen display with real-time electrical generation and total electrical generation data interfaced with an interactive website that includes videos of presentations to User.

2.11 System condition at transfer of ownership. Owner will ensure to take all reasonable measures to guarantee the system is in good operational condition at the conclusion of the contract, at which point User assumes all ownership of the system.

ARTICLE 3
USE, SERVICE CONTRACT PRICE, DELIVERY

3.1 Use of Energy.

(a) Commencing on the Commercial Operation Date and continuing throughout the remainder of the Term, Owner shall make available to User, and User shall take delivery of at the Delivery Point, all of the Energy generated by the System in accordance with the agreed upon Operating Strategy.

(b) Notwithstanding the provisions of Section (a) above, in the event that the System produces Excess Electricity, then the Parties agree that:

(i) If the System and User are eligible for Net Metering, and at the election of User, then (a) User shall receive Excess Electricity as part of the Service Contract Price and no additional charges shall accrue, (b) Owner shall transmit such Excess Electricity into the LDC System on behalf of and for the account of User, and (c) User shall be entitled to any and all Net Metering Credits issues by the LDC in response to such transmission; and

(ii) If the System and User are not eligible for Net Metering, or if the excess energy is produced and the User elects not to utilize the provisions of subsection 3.1(b)(i) above, then (a) User shall not purchase such Excess Energy, and (b) Owner may sell such Excess Energy into the LDC System or the Forward Capacity Market on behalf of and for its own account.

(c) In accordance with Exhibit B, the Annual Contract Payment shall be set in accordance in Exhibit B.

3.2 Price for Energy as Energy Performance Contract.

(a) Except as set forth in Section 3.1(b) above, User shall pay Owner for the Energy Produced at the Service Contract Price. The payment to be made by User to Owner shall equal the Contract Price for the relevant period and shall be considered part of an Energy Performance Contract for Alternative Energy Technologies as defined in NH RSA 21-I:19-b. The Service Contract Price shall be one unit price for each kwh produced and shall be set in accordance with Exhibit B.

(c) The terms of this contract shall be interpreted to create an energy performance contract and/or power purchase agreement and not a lease. The system is owned and operated by the Owner and there is no control or interest owned by the User. The system is only in use by the User and the contract price does not substantially exceed the rental cost of similar equipment. The following requirements of this agreement provide the foundation for this basis in accordance with Section 7701(e)(3) of the IRC.

(i) The Owner and not the User operates the system.

(ii) The User bears no substantial financial burden for non-performance except to the extent that such action is beyond the control of the Owner.

(iii) The User receives no economic benefit from lower system operating costs other than increased efficiency.

(iv) The User may only purchase the system at fair market value at the time of the purchase. There are no predetermined prices set except as permitted in accordance with IRS Announcement 2009-69 (See Article 9).

3.3 Title and Risk of Loss of Electricity. Title to and risk of loss of the Energy will pass from Owner to User at the Delivery Point. Owner warrants that it will deliver the Energy to User at the Delivery Point free and clear of all liens, security interests, claims, and other encumbrances. Prepayment shall not change this obligation.

3.4 Governmental Charges.

(a) Owner is responsible for local, state and federal income taxes attributable to Owner for income received under this Agreement.

(b) Owner is responsible for all real property taxes attributable to the System.

(c) Owner is responsible for any Governmental Charges attributable to the sale of Energy from Owner to User or imposed specifically upon the production of renewable and/or distributed electrical energy, irrespective of whether imposed before, upon or after the delivery of Electricity to User at the Delivery Point or to the LDC System.

(d) Both Parties shall use reasonable efforts to administer this Agreement and implement its provisions so as to minimize Governmental Charges. In the event any of the sales of Electricity hereunder are to be exempted from or not subject to one or more Governmental Charges, the applicable Party shall, promptly upon the other Party's request therefore, provide the applicable Party with all necessary documentation to evidence such exemption or exclusion.

3.5 Guaranteed Annual Electric Output.

(a) Owner guarantees that the System will produce the Guaranteed Annual Energy Output in each Contract Year, as adjusted by the Annual System Degradation Factor, as provided in Exhibit B. On the first anniversary of the Commercial Operation Date and each anniversary of the Commercial Operation Date thereafter during the Term (and any extension thereof), the Guaranteed Annual Electric Output shall be decreased by the Annual System Degradation Factor as it relates to the Solar portion of the payment.

(b) In the event that a Production Shortfall exists in any Contract Year, Owner shall pay to User, within thirty (30) days of the end of such Contract Year, the LDC Retail Rate for each kWh of such Production Shortfall or shall operate to credit the following term of the contract or shall extend operation, maintenance and education support by a period equivalent to the shortfall at a rate of $65.00/hour for consulting work. The cost for the delivery of these services is annualized at the rate of $7,000 per year.

(c) In the event that a Production Excess exists in any Contract Year, User shall pay to Owner, within thirty (30) days of the end of such Contract Year, the Rate for each kWh of such Production Excess as measured in Exhibit B.

(d) Reconciliation of Annual Electric Output shall carry forward to the end of the contract. At the end of the Contract, the amount shall be credited or debited to the purchase price or shall result in an extension of benefits as described in (b) above.

3.6 Invoicing and Payment. All invoices under this Agreement will be due and payable not later than fifteen (15) days after receipt of the applicable invoice (or, if such day is not a Business Day, then on the next Business Day). Each Party will make payment by electronic funds transfer, written check or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the applicable due date will accrue interest at the Late Payment Interest Rate until paid in full.

3.7 Disputed Amounts. A Party may in good faith dispute the correctness of any invoice (or any adjustment to any invoice) under this Agreement at any time within three (3) months following the date the invoice (or invoice adjustment) was rendered. In the event that either Party disputes any invoice or invoice adjustment, such Party will nonetheless be required to pay the full amount of the applicable invoice or invoice adjustment (except any portions thereof that are manifestly inaccurate or are not reasonably supported by documentation, payment of which amounts may be withheld subject to adjustment as hereinafter set forth) on the applicable payment due date, except as expressly provided otherwise elsewhere in this Agreement, and to give notice of the objection to the other Party. Any required payment will be made within five (5) Business Days after resolution of the applicable dispute, together with interest accrued at the Late Payment Interest Rate from the due date to the date paid.

3.8 Interest. If either Party shall fail to pay the other Party any sum required to be paid within five (5) Business Days after the payment due date, interest on the unpaid amount shall accrue at the Interest Rate from and including the payment due date to but excluding the date the payment is received.

3.9 Netting and Setoff. The Parties will net any and all mutual debts and payment obligations that are due and owing under this Agreement.

3.10 Records and Audits. Each Party will keep, for a period not less than three (3) years after the expiration or termination of any transaction, records sufficient to permit verification of the accuracy of billing statements, invoices, charges, computations and payments for such transaction. During such period each Party may, at its sole cost and expense, and upon reasonable notice to the other Party, examine the other Party's records pertaining to transactions during such other Party's normal business hours.

ARTICLE 4
COVENANTS OF USER

4.1 As of the Commercial Operation Date of each System delivered hereunder, User shall be deemed to represent, covenant and warrant for the benefit of the Owner, any Agent, as follows:

(a) User is a body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to enter into this Agreement and the transactions contemplated thereby and to perform all of its obligations there under.

(b) To the extent User should merge or dissolve into or with another entity under the laws of the State, User agrees that as a condition to such action it will make reasonable efforts to assure that the remaining or resulting entity shall be assigned User's rights and shall assume User's obligations hereunder.

4.2 Owner shall provide annual reports that the Owner is in Good Standing as a corporation and has maintained all necessary approvals and licenses to continue operation of the systems.

ARTICLE 5
ENVIRONMENTAL ATTRIBUTES, METERING

5.1 Title to Environmental Attributes. All Environmental Attributes relating to the System or the Energy will be and remain property of Owner. Owner shall have all right, title, and interest in and to any and all Environmental Attributes that relate to the Energy during the Term, and User shall have no right, title or interest in or to any such Environmental Attributes. Environmental Attributes which arise due to the enactment of laws or regulations after the Commercial Commencement Date shall be allocated in the same manner.

5.2 Reporting of Ownership of Environmental Attributes. Owner shall take all actions necessary to qualify for, register and report the Environmental Attributes relating to the Energy and Systems' Operation. User shall not report to any Person that any Environmental Attributes relating to the Energy Output and Systems belong to any Person other than Owner.

5.3 Further Assurances. At Owner's request and expense, User shall execute all such documents and instruments reasonably necessary or desirable to effect or evidence Owner's right, title and interest in and to the Environmental Attributes relating to the System.

5.4 Metering Equipment. The Parties acknowledge and agree that Owner shall provide, install, own, operate and maintain the Metering Device(s). Owner shall maintain and test the Metering Device no less than on an annual basis.

(a) There shall be installed on electricity generating equipment at least two metering devices to permit coordination and calibration of measurements. One metering device may be internal to the equipment such as the control technologies on the inverters for the solar array. At least one device shall be a revenue-grade metering device installed with the consultation of Unitil.

(b) At the request of User, an independent 3rd party, professionally qualified for the purposes listed herein, shall be contracted to test and verify that the metering devices are operating within manufacturer's specified guidelines. Costs for such review, if any, shall be borne by the User.

5.5 Measurements. Readings of the Metering Device shall be conclusive as to the amount of Energy delivered to User; *provided,* that if the Metering Device is out of service, is discovered to be inaccurate pursuant to Section 5.6, or registers inaccurately, measurement of Energy shall be determined in the following sequence: (a) by estimating by reference to quantities measured during periods of similar conditions when Metering Device was registering accurately; or (b) if no reliable information exists as to the period

of time during which such Metering Device was registering inaccurately, it shall be assumed for correction purposes hereunder that the period of such inaccuracy for the purposes of the correction under Section 5.6 was equal to (I) if the period of inaccuracy can be determined, the actual period during which inaccurate measurements were made; or (ii) if the period of inaccuracy cannot be determined, one-half of the period from the date of the last previous test of such Metering Device through the date of the adjustments, *provided, however*, that, in the case of clause (ii), the period covered by the correction under Section 5.6 shall not exceed six months.

5.6 Testing and Correction.

(a) User's Right to Conduct Tests. Each Party and its consultants and representatives shall have the right to witness each test conducted by or under the supervision of Owner to verify the accuracy of the measurements and recordings of the Metering Device. Owner shall provide at least twenty (20) days prior written notice to User of the date upon which any such test is to occur. Owner shall prepare a written report setting forth the results of each such test, and shall provide User with copies of such written report not later than thirty (30) days after completion of such test. Owner shall bear the cost of the annual testing of the Metering Device and the preparation of the Metering Device test reports.

(b) Standard of Metering Device Accuracy; Resolution of Disputes as to Accuracy. The following steps shall be taken to resolve any disputes regarding the accuracy of the Metering Device:

(I) If either Party disputes the accuracy or condition of the Metering Device, such Party shall so advise the other Party in writing. The first step shall be to examine the records of both metering devices and compare the output data to the records of Unitil's metering device.

(ii) Owner shall, within fifteen (15) days after receiving such notice from User, or User shall, within such time after having received such notice from Owner, advise the other Party in writing as to its position concerning the accuracy of such Metering Device and state reasons for taking such position.

(iii) If the Parties are unable to resolve the dispute through reasonable negotiations, then either Party may cause the Metering Device to be tested.

(iv) If the Metering Device is found to be inaccurate by not more than 2%, any previous recordings of the Metering Device shall be deemed accurate, and the Party disputing the accuracy or condition of the Metering Device under Section 5.6 shall bear the cost of inspection and testing of the Metering Device.

(v) If the Metering Device is found to be inaccurate by more than 2% or if such Metering Device is for any reason out of service or fails to register, then (a) Owner shall promptly cause any Metering Device found to be inaccurate to be adjusted to correct, to the extent practicable, such inaccuracy, (b) the Parties shall estimate the correct amounts of Energy

delivered during the periods affected by such inaccuracy or service outage, and (c) Owner shall bear the cost of inspection and testing of the Metering Device. If as a result of such adjustment the quantity of Energy for any period is decreased (such quantity, the "***Production Shortfall***"), Owner shall reimburse User for the amount paid by User in consideration for the amount of Energy produced is below the Guaranteed Annual Energy Output or for the actual pro rated cost of the Energy Produced if the contract is in a period of Nonappropriation Option B and shall bear the cost of inspection and testing of the Metering Device. If as a result of such adjustment the quantity of Energy for any similar period is increased (such quantity, the "***Production Excess***"), User shall pay for the Energy Surplus at the Energy Price applicable during the applicable Contract Year in accordance with the above provisions.

ARTICLE 6
LOSS, DAMAGE OR DESTRUCTION OF SYSTEM, FORCE MAJEURE

6.1 System Loss.

(a) Owner shall bear the risk of any System Loss, except to the extent such System Loss results from the negligence of User or User's agents, representatives, customers, vendors, visitors, employees, contractors, or invitees (collectively, "***User Misconduct***").

(b) In the event of any System Loss that results in less than total damage, destruction or loss of the System, this Agreement will remain in full force and effect and Owner will, at Owner's sole cost and expense, subject to Section 6.2 below, repair or replace the System as quickly as practicable.

(c) To the extent that any System Loss that results in less than total damage, destruction or loss of the System, and is caused by User Misconduct, User shall promptly upon demand therefore from Owner pay any and all costs and expenses of such repair or replacement.

(d) In the event of any System Loss that, in the reasonable judgment of Owner, results in total damage, destruction or loss of the System, Owner shall, within twenty (20) Business Days following the occurrence of such System Loss, notify User that Owner is able to repair or replace the System.

6.2 In the event that Owner notifies User that Owner is willing to repair or replace the System, the following shall occur, (A) this Agreement will remain in full force and effect, (B) Owner will repair or replace the System as quickly as practicable, and (C) if such System Loss has been caused, in total or partially, by User Misconduct, User shall promptly upon demand therefore from Owner pay any and all costs and expenses of such repair or replacement.

6.3 Performance Excused by Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the "***Claiming Party***") gives notice and details of the Force Majeure to the

other Party as soon as practicable (and in any event within five (5) Business Days after the Force Majeure first prevents performance by the Claiming Party), then the Claiming Party will be excused from, the performance of its obligations under this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Party affected by Force Majeure will use commercially reasonable efforts to eliminate or avoid the Force Majeure and resume performing its obligations; provided, however, that neither Party is required to settle any strikes, lockouts or similar disputes except on terms acceptable to such Party, in its sole discretion. The non-Claiming Party will not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

ARTICLE 7
EVENTS OF DEFAULT, REMEDIES

7.1 Events of Default. An "***Event of Default***" means, with respect to a Party (a "***Defaulting Party***"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required under this Agreement if such failure is not remedied within five (5) Business Days after receipt of written notice;

(b) any representation or warranty made by such Party in this Agreement is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default), if such failure is not remedied, if capable of being remedied, within twenty (20) Business Days after receipt of written notice;

(d) such Party becomes Bankrupt;

(e) such Party fails to provide or maintain in full force and effect any required insurance, if such failure is not remedied within three (3) Business Days after receipt of written notice from the Non-Defaulting Party to the Defaulting Party, or (ii) the occurrence of a default by the insurer of such Party under any insurance policy provided hereunder;

(f) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity, and the resulting, surviving or transferee entity fails to assume, effective immediately upon the effectiveness of such consolidation, amalgamation, merger or transfer, each and all of the obligations of such Party under this Agreement;

(g) failure to comply with the terms of the SLP at Exhibit D.

(h) any default event by the Owner, if a prepayment is made, may be cured for the project through User assuming the terms of the contract by Notice to the Owner,

the terms of the contract shall remain for payment, maintenance, and insurance for the remaining terms of the contract and the Owner shall refund the User the amounts in accordance with the annual cost for the remaining years of the contract at the rate of $7,000 per year.

7.2 Remedies for Event of Default. If at any time an Event of Default with respect to a Defaulting Party has occurred and is continuing, the other Party (the "***Non-Defaulting Party***") shall, without (except as otherwise provided in Section 7.3) limiting the rights or remedies available to the Non-Defaulting Party under this Agreement or applicable Law, have the right: (a) by notice to the Defaulting Party, and the Financier, to designate a date, not earlier than twenty (20) Business Days after the date such notice is effective, as an early termination date ("***Early Termination Date***") in respect of this Agreement; (b) to withhold any payments due to the Defaulting Party under this Agreement; and (c) to suspend performance due to the Defaulting Party under this Agreement. In the event that the Non-Defaulting Party designates an Early Termination Date, this Agreement will terminate as of the Early Termination Date.

7.3 User Rights Upon Termination for Default. In the event that User is the Non-Defaulting Party and elects to terminate this Agreement as provided in Section 7.2, and the requirements of the ARRA-SEP grant program, User shall, at its sole and exclusive option and in its sole and absolute discretion, either (a) exercise the Purchase Option provided in Article 9 below and require the Owner to pay the Termination Payment or (b) cure the default of the Owner and request the continuation of the contract under an assignment provision to the Owner's financier or other qualified party as found in Article 11. In the event that User elects any of the foregoing remedies, such express remedy and any associated measure of damages shall be the sole and exclusive remedy available to User as a result of termination of this Agreement subject, however, to Section 7.8 below.

7.4 Owner Rights Upon Termination for Default. In the event that Owner is the Non-Defaulting Party and elects to terminate this Agreement as provided in Section 7.2, Owner shall, at its sole and exclusive option and in its sole and absolute discretion, and with approval from the NH Office of Energy and Planning, exercise any required ARRA-SEP prerequisite to achieve compliance and may, if approved by the authority having jurisdiction of compliance with ARRA-SEP requirements, remove the System and require User to pay the Termination Payment to Owner. In the event that Owner elects the foregoing remedy, such express remedy and any associated measure of damages shall be the sole and exclusive remedy available to Owner as a result of termination of this Agreement subject, however, to Section 7.8 below. User's liability shall be limited as set forth in such provision and all other remedies or damages at law or in equity are waived by Owner.

7.5 Termination Payment Notice. In the event that a Non-Defaulting Party elects to require payment of the Termination Payment as provided in Section 7.3 or 7.4, then, as soon as practicable after calculation of the Termination Payment by such Party, the Non-Defaulting Party will notify the Defaulting Party of the amount of the Termination Payment and any amount otherwise due and outstanding under this Agreement. Such notice will include a written statement explaining in reasonable detail the calculation of such amount. The Defaulting Party shall pay the Termination Payment and any amount otherwise due and outstanding under this Agreement to the Non-Defaulting Party within thirty (30) Business Days after the effectiveness of such notice.

(a) Termination Payment: User Default. The termination payment shall be based on the cost of the removal of the system and the remaining finance payments due to the lender on the system by the Owner. The residual value in the system shall be considered compensation for uncollected deferred development fees made a part of the service contract.

(b) Termination Payment: Owner Default. The termination payment shall be one of two amounts (A) the remaining finance payments due to the lender on the system by the Owner at which payment, title to system shall transfer to the User; (B) any remaining costs of modifications to restore the facilities not completed upon removal of the system by the Owner where the User elects to have the system removed from the facilities. Escrow amounts held as part of the ARRA-SEP requirements shall be utilized in the first instance to complete any obligations under and event of Owner Default.

7.6 Closeout Setoffs. The Non-Defaulting Party shall be entitled, at its option and in its discretion, to set off, against any amounts due and owing from the Defaulting Party under this Agreement, any amounts due and owing to the Defaulting Party under this Agreement.

7.7 Remedies Cumulative. Except as provided in Sections 7.1, 7.3, and Article 9, the rights and remedies contained in this Article are cumulative with the other rights and remedies available under this Agreement or at law or in equity.

7.8 Unpaid Obligations. The Non-Defaulting Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available under this Agreement. Notwithstanding anything to the contrary herein, the Defaulting Party shall in all events remain liable to the Non-Defaulting Party for any amount payable by the Defaulting Party in respect of any of its obligations remaining outstanding after any such exercise of rights or remedies.

ARTICLE 8
{Reserved}

ARTICLE 9
SYSTEM PURCHASE AND SALE OPTIONS, SYSTEM REMOVAL

9.1 Grant of Purchase Option. For and in consideration of the payments made by User under this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, Owner hereby grants User the right and option to purchase all of Owner's right, title and interest in and to the System and the Environmental Attributes on the terms set forth in this Agreement (the "Purchase Option") and as limited by this Agreement and State and Federal law. The Purchase Option is intended to be an option available to the User and not a requirement. The interpretation of these provisions shall be made in a manner to achieve compliance with all requirements for tax-based incentives accessed by the Owner.

9.2 User Request for Appraisal of System Value. Not later than (a) 180 days prior to the end of the Annual Term of the contract beginning with year six or any Extension Term, or (b) in the Event of Default with respect to Owner in the notice under Article 7, User shall have the right to provide a notice to Owner requiring a determination of the Purchase Price in accordance with Sections 9.4.

9.3 Exercise of Purchase Option.

(a) User shall have twenty (20) Business Days from the date of the Contract Year (such period, the "Exercise Period"), to exercise the Purchase Option, at the Purchase Price set forth below. User must exercise its Purchase Option during the Exercise Period by providing a notice (an "Exercise Notice") to Owner. Once User delivers its Exercise Notice to Owner, such exercise shall be irrevocable.

(b) Promptly following receipt of User's notice pursuant to Section 9.5(a), Owner shall make the System and the Environmental Attributes, including records relating to the operations, maintenance, and warranty repairs, available to User for its inspection during normal business hours.

9.4 Alternative Purchase Price. At the sole discretion of the User, the User may purchase the system for the following negotiated price. This negotiated price is the result of guidance provided in the IRS Announcement 2009-69.

(a) This contractual provision is negotiated for valid non-tax business reasons. The intent of this provision is to provide the User adequate budgetary planning notice to insure that the price can be properly anticipated and planned for during the purchase year and to provide multiple options for ownership and predictability in budgeting.

(b) The Owner and User have material adverse interests since the value of the system and the purchase price reflects opposing benefits to the parties.

(c) The purchase price is not less than "fair market value," which has been determined at the signing of the contract. The parties reasonably believe, based on all facts and circumstances at the time the price is determined, that the price will be not less than fair market value at the time the right may be exercised.

(i) The value of the design labor has no value at the end of the contract.

(ii) The value of incidental materials required for installation will have minimal value due to the passage of time and the use of the equipment in the installation. Reuse of cables, combining boxes, clips and other installation materials cannot be used in another installation due to the unique characteristics of this installation. As such, their residual value is reduced to 20%.

(iii) The materials reasonably predicted to have residual value will be the generation hardware, including and limited to the PV solar panels and the

inverter. Based on current pricing of similar used equipment, the following prices are set for the end of term Alternative Purchase Price.

9.5 Terms of System Purchase. On the Transfer Date (a) Owner shall surrender and transfer to User all of Owner's right, title and interest in and to the System, and the Environmental Attributes, and shall retain all liabilities arising from or related to the System and the Environmental Attributes prior to the Transfer Date, (b) User shall pay the Purchase Price, by certified check, bank draft or wire transfer and shall assume all liabilities arising from or related to the System and the Environmental Attributes from and after the Transfer Date, and (c) both Parties shall (i) execute and deliver a bill of sale and assignment of contract rights containing such representations, warranties, covenants and other terms and conditions as are usual and customary for a sale of assets similar to the System, together with such other conveyance and transaction documents as are reasonably required to fully transfer and vest title to the System, and the Environmental Attributes in User, and (ii) deliver ancillary documents, including releases, resolutions, certificates, third person consents and approvals and such similar documents as may be reasonably necessary to complete the sale of the System and the Environmental Attributes to User.

9.8 Transfer Date. The closing of any sale of the System (the "Transfer Date") pursuant to this Article will occur no later than thirty (30) Business Days following the date of the Exercise Notice.

ARTICLE 10
NOTICES

10.1 Notices.

All notices, requests, statements or payments will be made to the addresses and persons specified below. All notices, requests, statements or payments will be made in writing except where this Agreement expressly provides that notice may be made orally. Notices required to be in writing will be delivered by hand delivery, overnight delivery, facsimile, or e-mail (so long as a copy of such e-mail notice is provided immediately thereafter in accordance with the requirements of this section by hand delivery, overnight delivery, or facsimile unless confirmation of successful transmission is received). Notice by facsimile will (where confirmation of successful transmission is received) be deemed to have been received on the day on which it was transmitted (unless transmitted after 5:00 p.m. at the place of receipt or on a day that is not a Business Day, in which case it will be deemed received on the next Business Day). Notice by hand delivery or overnight delivery will be deemed to have been received when delivered. Notice by e-mail will be deemed to have been received when such e-mail is transmitted, so long as a copy of such e-mail notice is delivered immediately thereafter by hand delivery, overnight delivery, or facsimile unless confirmation of successful transmission is received. When notice is permitted to be provided orally, notice by telephone will be permitted and will be deemed to have been received at the time the call is received. A Party may change its address by providing notice of the same in accordance with the provisions of this section.

User: User

Owner: Owner

ARTICLE 11
ASSIGNMENT; BINDING EFFECT

11.1 Assignment; Binding Effect

Owner shall not, without the prior written consent of User, which consent will not be unreasonably withheld or delayed, assign, pledge or transfer all or any part of, or any right or obligation under, this Agreement, whether voluntarily or by operation of law, and any such assignment or transfer without such consent will be null and void; provided, however, that Owner may, with only prior notice to User, assign, pledge or transfer all or any part of, or any right or obligation under this Agreement for security purposes in connection with any financing or other financial arrangements regarding the System (each, a "Permitted Transfer"); provided further, however, that assignee shall assume all of Owner's obligations under this Agreement in writing. Owner shall deliver notice of any Permitted Transfer to User in writing as soon as reasonably practicable.

Subject to the foregoing restrictions on assignment, this Agreement will inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. As in Article 7, if the Owner is in default, the User may continue the contract under the existing terms to protect the financing for the equipment and continue the contract to term. The User, in the case of such default, shall be considered a successor of the Owner and shall be entitled to compensation from the Owner for obligations under the contract related to operations, maintenance, insurance, and educational support.

ARTICLE 12
LIMITATION OF LIABILITY, INSURANCE, INDEMNIFICATION

12.1 At its own expense, Owner shall maintain Builder's Risk Insurance during construction to insure User's equipment and facilities and secure and hold required subcontractor's insurance for Worker's Comp, automotive and general liability as well as those policies required elsewhere. During the term of the contract, Owner shall maintain professional and general liability insurance in the amount of $1,000,000.00 per incident and $2,000,000.00 in the aggregate.

ARTICLE 13
MISCELLANEOUS

13.1 Amendment and Restatement; No Effect on Existing Guaranty; Contract Drafting. The Parties acknowledge that they jointly participated in the drafting of this Agreement, jointly participated in the choice of language used in this Agreement, and have each reviewed all of the terms of this Agreement. This document has not been proffered by one Party to the exclusion of the other Party. If any ambiguous word or phrase is found in this Agreement, the canon of construction requiring that any such word or phrase be construed against the drafter shall not be applied to determine the true meaning of that ambiguous word or phrase.

13.2 Waiver. No waiver by either Party of any one or more defaults or breaches by the other in the performance of this Agreement shall operate or be construed as a waiver of any future defaults or breaches, whether of a like or different character.

13.3 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof. Any provisions adjudged to be invalid or unenforceable shall be severed from the Agreement and the remaining provisions shall continue in full force and effect. The Parties shall negotiate promptly and in good faith to fashion contractual provisions to be observed in place of any provisions adjudged to be invalid or unenforceable to achieve as nearly as possible the commercial results contemplated by this Agreement.

13.4 Headings. The headings of Articles and Sections of this Agreement are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such Articles or Sections.

13.5 Entire Agreement; Amendment. This Agreement and any Exhibits referenced herein shall constitute the entire agreement of the Parties as to the subject matter addressed herein. There are no other agreements between the Parties concerning the subject matter of this Agreement. This Agreement and its Exhibits may not be altered, modified, supplemented, terminated or discharged except by way of an instrument in writing executed by both Parties. This contract shall be governed by the terms of the Executed P-37 as required above in Section 2-11.

13.6 Good Faith. All rights, duties and obligations established by this Agreement shall be exercised in good faith and in a commercially reasonable manner.

13.7 Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of New Hampshire, without resort to any principles of law that would call for the application of the laws of any other jurisdiction. Each of the Parties consents to the jurisdiction of the federal courts of the State of New Hampshire with respect to all disputes arising under or out of this Agreement.

13.8 Consent to Service of Process. Each Party hereby consents to service of process in the State of New Hampshire in respect of actions, suits or proceedings arising out of or in connection with this Agreement or the transactions contemplated by this Agreement.

13.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. A signature on a copy of this Agreement received by either Party by facsimile transmission is binding upon the other Party as an original.

13.10 No Third Party Beneficiaries. Other than as expressly noted, nothing in this Agreement will provide any benefit to any third party or entitle any third party to any claim, cause of action, remedy or right of any kind.

13.11 Relationships of Parties. The Parties are independent contractors, and will not be deemed to be partners, joint-venturers or agents of each other for any purpose under this contract, unless expressly stated otherwise herein.

13.12 Nondiscrimination. Owner agrees that it shall not, because of race, color, national origin, ancestry, age, sex, religion, physical or mental handicap, or sexual orientation, discriminate against any qualified employee, applicant for employment, subcontractor, or person or firm seeking to provide goods or services to Owner.

13.13 No Limitation of Regulatory Authority. The Parties acknowledge that nothing in this Agreement or the attached Solar Installation Location shall be deemed to be an agreement by User to issue or cause the issuance of any Approval, or to limit or otherwise affect the ability of the User or the State of New Hampshire to fulfill its regulatory mandate or execute its regulatory powers consistent with Applicable Legal Requirements.

Signature Page

IN WITNESS WHEREOF, User and Owner have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

Owner: Owner	User:
By: _____	By: _____
Date:_____	Date:_____
Name:	Name: ,
Title:	Title:

Exhibit A
System Installation Location

User

Shall include the area of the roof and wall on the southwestern area of the lower roof of the school building and any nearby wall area where solar panels and associated infrastructure are installed, connected and the required areas to access the aforementioned. The Installation Location shall also include any equipment housing room, structure or area wherein interconnection and metering equipment is located. For the purposes of maintaining and operating communications and educational components an additional Installation Location may be located for the mounting and connection of building system management devices and monitoring equipment as required by the User.

Sketch of location shall be incorporated herein following completion of installation.

Exhibit B
Guaranteed Annual Energy Output
Annual Contract Payment

1. Projected Cost Avoidance and Annual Contract Payment: Electricity Output. This portion of the Annual Contract Payment from the output of the electricity generation equipment and is based on the projected output of the equipment in the average operational year. Due to fluctuations in weather there will be changes from year to year. In addition, the project's access to Internal Revenue Code tax incentives requires that actual electricity outputs be reconciled to prevent benefits to either side of the contract.

   Payment Amount and Calculation. The following table summarizes the Annual Contract Payment amount for the Electricity Generation portion of the contract as found in Article 3.

   The rate is based on the displacement of all electricity charges associated with the use of electricity without the added expense of measuring and verifying the impact to demand rate savings. Demand savings are captured using the higher rate. Solar has coincident production during demand periods.

   a. Electricity Pricing

   Site Name: ***User***

   Initial Electricity Rate: ***$ 0.140/kWh***

   Price Escalation Factor: ***None.***

   Term: ***Twenty (20) Years***

   User's Initial Electricity Rate is set at $ 0.14/kWh. This price shall not be adjusted.

Year	*Escalation Rate*	*Electric Rate*
1	*0%*	*$0.140*
2	*0%*	*$0.140*
3	*0%*	*$0.140*
4	*0%*	*$0.140*
5	*0%*	*$0.140*
6	*0%*	*$0.140*
7	*0%*	*$0.140*
8	*0%*	*$0.140*
9	*0%*	*$0.140*

   The electricity rate presented above will apply to all electricity generated from the solar photovoltaic array.

   b. PV Installation - Projected Energy Output for the First and Subsequent Operational Years

   For the first operational year the Projected Energy Output is: _____ Total kWh

Annual Degradation Factor: .5% per Operational Year

For subsequent years the Projected Energy Output shall be revised every year on the anniversary of system commissioning by the annual degradation factor specified above. The Guaranteed Annual Energy Output represents the amount of guaranteed energy that will be produced for use by the User.

Projected Energy Output:

Installed Capacity	Tilt of Array	Total Solar Radition Factor	Projected Output (kWh)
-- kW	--°	--%	------

c. Annual Contract Payment

The annual contract payment as provided for in Article 3 shall be sum of the annual amount during the contract year in the Tables above in 3(b).

d. Electricity Output and Payment Reconciliation

The payments made to the Owner from the User will be reconciled using the following equation:

PPVO - APVO = PD

Equation Definitions:

APVO = Actual Photovoltaic Output is the measured electric generation, in kilowatt hours (kWh/hr), seen over the applicable year.

PD = Production Difference means the difference between the Projected Energy Output for the photovoltaic array and the measured output for that year.

PPVO = Projected Photovoltaic projected electric output of the two pieces of generating equipment measured in kilowatt hours (kWh/hr).

Reconciliation Payments:

If the Production Difference (PD) is a positive number then the Owner shall credit the User the Production Difference multiplied by the electric rate price for the following year.

Example – Reconciliation Payment for Positive Production Difference for Year 1:

48,000 kWh – 47,000 kWh = 1,000 kWh

1,000 kWh x $0.156 = $156.00 credit to User

Example – Reconciliation Payment for Negative Reconciliation Basis for Year 1:

48,700 kWh/hr – 49,700 kWh/hr = -1,000 kWh/hr

1,000 kWh x $0.156 = $156 payment to Owner

4. Additional Modifications to Annual Contract Payment:

   a. Events of Performance Impact for which the Owner is Responsible. The following actions and occurrences shall be the responsibility of the Owner and shall be used to adjust the Annual Energy Output.

      Negligence by Owner. Reduced output attributable to Owner Negligence shall be credited to the User to the extent the reduction falls below the Guaranteed Annual Energy Output.

      Unscheduled Maintenance Downtime. Reduced output attributable to Unscheduled Maintenance Downtime shall be credited to the User to the extent the reduction falls below the Guaranteed Annual Energy Output.

      System Failure due to lack of Maintenance. Reduced output attributable to System Failure due to lack of Maintenance shall be credited to the User to the extent the reduction falls below the Guaranteed Annual Energy Output.

   b. Events of Performance Impact for which the User is Responsible

      Negligence by User. Reduced output attributable to User Negligence shall be credited to the Owner to the extent the reduction, when added to the metered output, exceeds the Guaranteed Annual Energy Output.

      Occupancy and Use Changes. Reduced output attributable to Occupancy and Use Changes shall be credited to the Owner to the extent the reduction, when added to the metered output, exceeds the Guaranteed Annual Energy Output.

   c. Events of Performance Impact for which No Party is Responsible

      Force Majeure. As described in Article 6, Force Majeure, shall have no impact to the Annual Contract Payment.

      Weather related changes.

5. This section can be amended by mutually approved writing based upon increased installations and final design of the system and may be updated with additional funding sources. Potential additional funding includes but is not limited to American Recovery and Reinvestment Act, Unitil supported funding through RSA 374-G, and other potential funding sources for schools, state agencies, and institutions for renewable energy and energy efficiency projects.

Exhibit C

(Reserved)

Exhibit D
Solar Installation Provisions

[This section will be drafted to reflect the mutual rights and obligations regarding the location of the solar array and any potential blockage from modifications to the facility, potential for relocation and other provisions that are intended to insure that the User may modify their facilities and the Owner will be able to maintain the operations of the System.]

USER'S REPRESENTATIONS

1. User represents that although current plans do not intend to construct facilities on the other locations, any proposed development will be disclosed to Owner as soon as feasible so that a plan for relocation or mitigation can be developed.

2. Owner represents that they have provided multiple options for location of the array and have offered the best location considering all factors and issues presented by the User.

3. If relocation is required during the term of the contract by the User, the User shall bear the cost of the relocation.

Exhibit E: Guidelines for Design And Installation

OWNER'S REPRESENTATIONS

1. Specific Representations: In order to induce User to execute this Agreement and recognizing that User is relying thereon, Owner, by executing this Agreement, and without superseding, limiting, or restricting any other representation or warranty set forth elsewhere in the Contract, or implied by operation of law, makes the following express representations to User:

    a. Owner is professionally and fully qualified to act as the design professional and the general contractor for the Project;

    b. Owner will maintain all necessary licenses, permits or other authorizations necessary to act as Owner for the Project until Owner's duties under this Contract have been fully satisfied;

    c. Owner has the expertise, experience, and knowledge as well as the necessary plant, personnel and financial capability to perform the Services and the Work in accordance with the terms of this Contract;

    d. Owner assumes full responsibility to User for the improper acts and omissions of its Subcontractors or others employed or retained by Owner in connection with the Project.

REGULATORY GUIDELINES, REQUIREMENTS AND STANDARDS

1. Generally: Owner shall perform all Services described in the general scope of services as described under the Contract.

2. Owner's Review Of Services: Subject to this Agreement, Owner shall submit all documents produced as part of the Services for review.

3. Quality Of Services: Owner shall be responsible for the professional quality, completeness, accuracy, and coordination of Project.

4. Compliance With Laws And Regulatory Requirements: Owner shall comply with the lawful requirements of all federal, state, and local authorities having lawful jurisdiction over the Project, User shall assist in compliance by working with Owner to secure necessary permits.

5. Schedule Of Services: Owner shall, within ten (10) calendar days after execution of the Contract, submit for Owner's approval the Project Schedule for the performance of Owner's Services.

PRELIMINARY CONSULTATION AND PROJECT ANALYSIS

1. Determining The Project Objectives: Prior to the preparation of the Preliminary Design as required below, Owner shall first consult with User, and shall analyze any information furnished by User concerning requirements of the Project.

2. Report On Project Requirements And Objectives: Based on its study and analysis, and no later than ten (10) days after the effective date of the Contract, User shall prepare and submit to Owner a written report detailing User's understanding and analysis of the Project requirements and identifying any design, construction, scheduling, budgetary, operational, or other problems which may result from said requirements if different from any RFP or other solicitation required. The written response to this report by User shall also include proposed solutions, including design alternatives if appropriate, addressing each of the identified problems. Owner shall review such report with User and shall implement such changes as User may require as provided in this Contract provided no additional costs are incurred by the Owner beyond the scope of the solicitation or contract requirements.

PRELIMINARY DESIGN

1. Time For Preliminary Design: Not later than the date called for in the Design Schedule, Owner shall prepare and submit to the User a Preliminary Design for the Project.

2. To Be Reviewed With User: Owner shall review the Preliminary Design with the User and shall incorporate any written changes requested by the User that do not detract from the requirements of the Contract.

3. Authorization To Proceed With Final Design: After review of the Preliminary Design and incorporation of any changes ordered by the User, the Owner shall be permitted to commence preparing the Final Design.

FINAL DESIGN

1. The Final Design: The Final Design shall include all Design Documents which shall describe with specificity all elements, details, components, materials, and other information necessary for the complete construction of the Project.

CONSTRUCTION SERVICES

1. General Intent: Owner shall perform all Work necessary to construct the Project in accordance with this Contract, and to render the Project and all its components operational and functionally and legally usable for their intended purpose.

ADDITIONAL DUTIES AND RESPONSIBILITIES OF OWNER

1. Owner To Perform All Work Required By The Contract: The intent of this Contract is to require complete, correct and timely execution of the design and the Construction Work necessary to initiate the delivery of energy generation and energy efficiency to maximize savings to the User's facility.

2. Supervision Of The Construction Work: The Construction Work shall be strictly supervised and directed using Owner's best and highest skill and effort.

3. Owner's Schedule Of Construction: Owner, within fifteen (15) days after the Commencement Date, shall submit to the User for his information, and shall comply with, Owner's Schedule of Construction for completing the Construction Work.

4. Record Copy Of Contract Documents: Owner shall continuously maintain at the site, for the benefit of User, an updated copy of this Contract, including one record copy of the Contract Documents.

5. Procurement And Review Of Warranties: Owner shall procure from all Subcontractors and Suppliers and shall transmit to the User and the Financier all copies of all warranties relevant to the Contract.

6. Procurement Of Operations And Maintenance Documentation: Owner shall prepare or procure and shall transmit to the User and financier copies of all documentation required by this Contract regarding the operation and recommended maintenance programs relating to the various elements of the Project.

7. Testing, Inspections, And Approvals: Owner shall be responsible for procuring all tests and inspections required by sound professional practices and by governmental authorities having jurisdiction over the Project. Owner shall submit certified results of such tests to User and financier.

8. Owner's Regulations And Applicable Laws: Owner shall, during the course of the Construction Work, comply with applicable regulations prescribed by law.

9. Conditions To Site Access: While on User's property, all Owner's employees and Subcontractors shall confine themselves to areas designated by the User and will be subject to User's badge and pass requirements, if any, in effect at the site of the Construction Work.

10. Site Safety And Security: Owner shall take all reasonable steps and legally required measures at the site to comply with applicable safety regulations and standards and to adequately protect the Project.

11. Repair Of Collateral Damage: Unless otherwise instructed by User, Owner shall repair and return to original condition all buildings, utilities or other facilities affected by Owner's performance of the Construction Work.

12. Cleaning The Site: Owner shall keep the site reasonably clean during performance of the Construction Work. Upon Final Completion of the Construction Work, Owner shall thoroughly clean the site and the Project and remove all waste, debris, trash and excess materials or equipment, together with Owner's property therefrom.

13. Decisions Regarding Aesthetic Effect: The User's decisions in matters relating to aesthetic effect shall be final provided no additional costs or requirements are added beyond the original solicitation.

14. Owner To Remain An Independent Contractor: In performing both Design Services and Construction Work under this Contract, the relationship between User and Owner is that of independent contractor, and the execution of this Contract does not change the independent status of Owner. Owner shall exercise independent judgment in performing its duties under this Contract and is solely responsible for setting working hours, scheduling or prioritizing the Contract work flow and determining how all Contract work is to be performed. No term or provision of this Contract or act of Owner in the performance of this Contract shall be construed as making Owner the agent, servant or employee of User, or making Owner or any of its employees eligible for the fringe benefits, such as retirement, insurance and worker's compensation, which User provides its employees.

COMMISSIONING

1. Commissioning is the milestone event of this Contract that ends the construction phase and initiates the payment obligations of the Service Contract.

2. The Owner shall complete the following Commissioning events.

    a. Solar Array.

3. Commissioning shall be finalized with the Notice of Commercial Operation.

USER'S DUTIES, OBLIGATIONS, AND RESPONSIBILITIES

In addition to other support, User shall undertake to perform the following:

1. Provide Project Information: User shall provide Owner with information regarding User's requirements for the Project including any desired or required design or construction schedule.

2. Review Of Documents: User shall review any documents submitted by Owner requiring User's decision, and shall render any required decisions pertaining thereto.

3. Access To The Site And The Construction Work: User shall provide Owner access to the site, and shall provide Owner with such information, existing and reasonably available, necessary to Owner's performance of the Contract as Owner may request.

4. Cooperation To Secure Permits, Licenses, Approvals, And Authorizations: User shall cooperate with Owner in securing any necessary licenses, permits, approvals or other necessary authorizations for the design, construction and certification of the Project.

5. Timely Performance: User shall perform the duties set forth in this Contract in a reasonably expeditious fashion so as to permit the orderly and timely progress of Owner's Services and of the Construction Work.

6. Documents Requested By Owner: User shall furnish to Owner, prior to the execution of this Agreement, any and all plans, drawings, and documents written and tangible material knowingly in its possession concerning conditions above and below ground at the site of the Project. Such written and tangible material is furnished to User only in order to make complete disclosure of such material and for no other purpose. By furnishing such material, User does not represent, warrant, or guarantee its accuracy or completeness either in whole or in part, and shall have no liability therefor.

7. User shall render such assistance as Owner may request in obtaining such easements, certificates of occupancy, and the like.

PROJECT DOCUMENTATION

1. Maintenance Of Project-Related Records: Owner shall maintain and protect all records relating in any manner whatsoever to the Project (the "Project Records") for no less than the term of this contract or twenty (20) years after Final Completion of the Construction, and for any longer period of time as may be required by law or good management practice.

PERSONNEL, SUBCONTRACTORS AND SUPPLIERS

1. Subcontractor Defined: A "Subcontractor" means an entity which has a direct contract with Owner to perform a portion of the Construction Work or the Design Services. For purposes of the Contract, Subcontractors shall also include those furnishing specially fabricated equipment and materials for the Project.

2. Supplier Defined: A "Supplier" means an entity providing only equipment or materials for the performance of the Construction Work.

3. Owner Responsible For Acts Of Its Subcontractors: Should Owner subcontract all or any part of the Work, such subcontracting of the Work shall not relieve Owner from any liability or obligation under the Contract or under any applicable policy, law or regulation, and Owner shall be responsible for all and any acts, defaults, omissions or negligence of its Subcontractors, Suppliers, and consultants.

Appendix I: Additional Resources

- **PUC 902 & 909:** http://www.puc.nh.gov/Sustainable%20Energy/Net%20Metering/Puc%20909%20interim%20rule%20adopted.pdf

- **RSA 362-A:** http://www.gencourt.state.nh.us/rsa/html/XXXIV/362-A/362-A-9.htm

- **Form PUC 909.09:** http://www.puc.nh.gov/Sustainable%20Energy/Net%20Metering/interim%20form%20PUC%20909%2009%20final%20fillable%20form.pdf

- **Form PUC 909.10:** http://www.puc.nh.gov/Sustainable%20Energy/Net%20Metering/interim%20form%20PUC%20909%2010%20final%20fillable%20form.pdf

- **NH Department of Revenue Administration Form PA-29:** Go the DRA website and click on the PA-29 link – the location for the form changes frequently but the website portal does not – this is the link to the DRA portal. http://www.revenue.nh.gov/forms/exempt-credit.htm

- **NH State Based Renewable Energy Incentives:** http://www.dsireusa.org/incentives/index.cfm?state=NH&re=0&ee=0&spv=0&st=0&srp=1

- **Federal Renewable Energy Incentives:** http://www.dsireusa.org/incentives/index.cfm?state=us]

- **The Online Community Solar Tool**, University of Oregon and The Resource innovation Group, is an online decision tool that provides a framework for making program development and design decisions. http://communitysolartool.b-e-f.org/

- **The Community Power Network** offers examples and inspiration for community scale projects across the United States. The site includes a wiki to learn and share from other projects. www.communitypowernetwork.com/

- **Solar Resource Guide: An Overview for Congregations**, California Interfaith Power & Light Network, July 2011.
  http://interfaithpower.org/resources/solar-resource-guide

- **Solar Powering Your Community: A Guide for Local Governments**, U.S. Department of Energy (DOE), 201, includes case studies and lessons learned from Solar America Communities.
  https://www4.eere.energy.gov/solar/sunshot/resource_center/resources/solar_powering_your_community_guide_local_governments

- **Community Solar Power: Obstacles and Opportunities**, Institute for Local Self-Reliance, September 2010, profiles community shared solar projects, the policies that enabled them, and the barriers that remain.
  www.ilsr.org/

- **Financing Non-Residential Photovoltaic Projects: Options and Implications**, Lawrence Berkeley National Laboratory, January 2009, examines the role of financial innovation in PV market penetration. This report looks at how financing structures currently being used to support nonresidential PV deployment have emerged as a way to extract the most value from a patchwork of federal and state policy initiatives.
  http://emp.lbl.gov/sites/all/files/REPORT%20lbnl-1410e.pdf