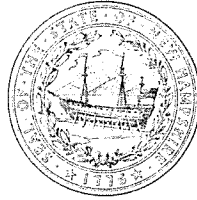


THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION

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December 10, 2012

Pavel Favinsky
Environmental Markets
Citigroup Global Commodities
Citigroup Energy, Inc.
2800 Post Oak Blvd., Suite 500
Houston, TX 77056

Re: DE 08-129, University System of New Hampshire, Durham Power Plant; and,
DE 11-182, Stetson II Wind Farm
Citigroup Energy, Inc., Request for Recognition of Class I Renewable Energy Certificates
Intended for Banking in Quarter One 2012

Dear Mr. Favinsky:

On October 26, 2012, the Commission received a letter from you requesting that the Commission permit certain RECs generated from the University System of New Hampshire, Durham Power Plant (UNH Power), and the Stetson II Wind Farm (Stetson II), to be banked and made available for use by Citigroup Energy's clients. Your letter states that you were unaware of the GIS process and therefore RECs were not banked prior to the end of the Q1 trading period; this caused the RECs to be retired towards the Residual Mix.

As a result of this error, production from these facilities during Q1 may not be eligible for Renewable Energy Certificates (RECs) inasmuch as NEPOOL GIS operating rules do not provide for certificate adjustment when the account holder commits the error. According to communication from James Webb, NEPOOL GIS Administrator, the GIS in this instance and in other similar situations, has advised managers to contact the appropriate state regulatory agency and request that the agency recognize the production as "RPS compliant" during the annual filing process. The Commission therefore, has the discretion to issue a secretarial letter stating that even though the NEPOOL GIS does not display Citigroup's Q1 RECs as NH RPS eligible, the Commission will still accept them for RPS compliance when the end user retires them at the end of the year.

Pursuant to RSA 362-F:6, the RPS program utilizes the GIS administered by ISO-New England and NEPOOL. Facility certification to produce New Hampshire RECs is assigned to the Commission pursuant to RSA 362-F:11. This authority is consistent with the GIS which, by design, relies on state agencies to certify REC-compliant facilities. The Commission certified both the UNH Power and the Stetson Wind II facilities as eligible to produce Class I RECs on January 30, 2009 and December 05, 2011, respectively. The RECs in question are summarized on the following table:

Month of Generation	NH Certification #	Unit ID	Unit Name	Fuel Type	Certificate Numbers	Quantity	NH Class
2012/2	NH-I-09-004	MSS1529	UNH Power	Landfill Methane Gas	342532 – 1 to 2304	2304	I
2012/3	NH-I-09-004	MSS1529	UNH Power	Landfill Methane Gas	3425335 – 975 to 3670	2696	I
2012/1	NH-I-11-036	MSS16612	Stetson II	Wind	345394 – 2777 to 5552	2776	I
2012/2	NH-I-11-036	MSS16612	Stetson II	Wind	345395 – 2235 to 4468	2234	I
2012/3	NH-I-11-036	MSS16612	Stetson II	Wind	345396 – 1977 to 3953	1977	I

The Commission has determined that it is consistent with its statutory authority and GIS rules to recognize the Q1 production of the UNH Power facility and the Stetson Wind II facility as eligible for Class I RECs, subject to the following conditions:

1. A notarized statement on company letterhead shall be made/signed by whomever is now the Authorized Representative of Citigroup Energy, attesting that the GIS certificates listed in the statement have not otherwise been, nor will be, sold, retired, claimed, used, or represented as part of electrical energy output or sales, or used to satisfy obligations, in jurisdictions other than New Hampshire. Such statement must be accompanied by documentation that said individual has been duly authorized by Citigroup Energy to serve as its Authorized Representative.
2. The notarized statement and a copy of this letter shall be provided to the Retail Electricity Supplier to which the certificates are transferred, and that Supplier shall submit a copy of the statement and this letter to the Commission as part of its 2012 RPS Class I annual compliance filing.

This decision regarding the aforementioned Q1 certificates shall not be regarded as establishing a precedent, and the Commission may deny any similar Citigroup Energy requests for a waiver in the future. Attached please find a copy of the notice of this letter provided to the GIS administrator.

Sincerely,



Debra A. Howland
Executive Director

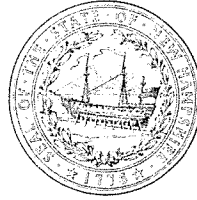
cc: James Webb, Registry Administrator, APX Environmental Markets

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December 10, 2012

James Webb
Registry Administrator
APX Environmental Markets
224 Airport Parkway, Suite 600
San Jose, CA 95110

Re: DE 08-129, University System of New Hampshire, Durham Power Plant; and,
DE 11-182, Stetson II Wind Farm
Citigroup Energy, Inc., Request for Recognition of Class I Renewable Energy
Certificates Intended for Banking in Quarter One 2012

Dear Mr. Webb:

On October 26, 2012, the Commission received a letter from Pavel Favinsky, Environmental Markets, Citigroup Energy, Inc., (Citigroup Energy) requesting that the Commission permit certain RECs generated from the University System of New Hampshire, Durham Power Plant (UNH Power), and the Stetson II Wind Farm (Stetson II), to be banked and made available for use by Citigroup Energy's clients. Mr. Favinsky's letter states that he was unaware of the GIS reporting process and therefore RECs were not banked prior to the end of the Q1 trading period; this caused the RECs to be retired towards the Residual Mix.

If generators fail to enter the required data before the deadline, the GIS locks out the generator from entering data relating to the relevant quarter and there is no mechanism for the RPS eligibility to be added back. To resolve this discrepancy, the Commission has issued a secretarial letter stating that even though the NEPOOL GIS does not display Citigroup Energy's Q1, (January 1 through March 31, 2012) RECs as NH RPS eligible, the NH PUC will still accept them for purposes of RPS compliance when the end user retires them at the end of the year.

The unsettled RECs in question are summarized on the following table:

Month of Generation	NH Certification #	Unit ID	Unit Name	Fuel Type	Certificate Numbers	Quantity	NH Class
2012/2	NH-I-09-004	MSS1529	UNH Power	Landfill Methane Gas	342532 – 1 to 2304	2304	I
2012/3	NH-I-09-004	MSS1529	UNH Power	Landfill Methane Gas	3425335 – 975 to 3670	2696	I
2012/1	NH-I-11-036	MSS16612	Stetson II	Wind	345394 – 2777 to 5552	2776	I
2012/2	NH-I-11-036	MSS16612	Stetson II	Wind	345395 – 2235 to 4468	2234	I
2012/3	NH-I-11-036	MSS16612	Stetson II	Wind	345396 – 1977 to 3953	1977	I

The Commission has reviewed Mr. Favinsky's letter, supporting documentation and the GIS Operating Rules and determined that the above referenced RECs from Q1, 2012 will be accepted for RPS compliance when the end user retires them at the end of the year.

Sincerely,



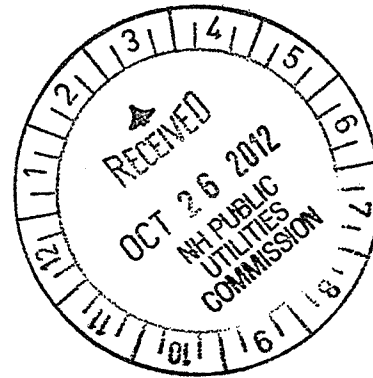
Debra A. Howland
Executive Director

cc: Pavel Favinsky, Environmental Markets, Citigroup Energy

Cover Letter

Attention:

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord , NH 03301-2429



From:

Pavel Favinsky
Environmental Markets
Citigroup Global Commodities

2800 Post Oak Blvd., Suite 500
Houston, TX 77056
Phone: 713-752-5463
Email: pavel.favinsky@citi.com

GIS Company Information:

Company ID: 14046
Company Name: Citigroup Energy Inc.

Docket Numbers in Question:

Stetson II I	DE 11-182
UNH Chip I	DE 08-129

Hi Debra,

My name is Pavel Favinsky and I'm in charge of managing NEPOOL GIS REC inventory for Citigroup.

I ran inventory on my GIS account and realized that RECs we received during the Q1 trading period which were qualified in New Hampshire were missing. We had intended to bank them on behalf of our clients until they ask for them when they require them for compliance.

James Webb at GIS informed me that I was required to notify you as the New Hampshire regulator of our intention to bank the RECs past the Q1 true up period. Unfortunately I'm new to this process and was unaware of this requirement, believing the process was automated. James told me that you have the ability to process our request for banking post-case to have the RECs reinstated in GIS. At issue are **11,987 New Hampshire Class 1 RECs**, as detailed below.

I've communicated with Barbara Bernstein regarding this matter. Barbara said that a formal written request is required in this format to reinstate the RECs in GIS as NH qualified. I thus request that New Hampshire approves Citigroup's request for banking of the RECs as described below.

I appreciate your time and understanding.

Thanks,

Pavel Favinsky

Unit ID	Unit Name	State	Fuel Type	Month of Generation	Certificate Serial Numbers	Quantity	NH Class I
MSS16612	STETSON II WIND FARM	ME	Wind	2012/1	345394 - 2777 to 5552	2776	Yes
MSS16612	STETSON II WIND FARM	ME	Wind	2012/2	345395 - 2235 to 4468	2234	Yes
MSS16612	STETSON II WIND FARM	ME	Wind	2012/3	345396 - 1977 to 3953	1977	Yes
NON32754	UNH CHP Plant	NH	Landfill gas	2012/3	342533 - 975 to 3670	2696	Yes
NON32754	UNH CHP Plant	NH	Landfill gas	2012/2	342532 - 1 to 2304	2304	Yes