



Public Service Company of New
Hampshire
Docket No. DE 10-195

Data Request STAFF-01

Dated: 10/08/2010
Q-STAFF-008
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Witness: Richard C. Labrecque
Request from: New Hampshire Public Utilities Commission Staff

Question:

To the extent not provided in response to question 5 above, please provide the most recent long-term price projection for RECs in PSNH's possession.

Response:

PSNH does not forecast REC prices and generally uses the New Hampshire Alternative Compliance Payment with an adjustment when forecasting REC prices used in financial analyses. PSNH's 2010 Least Cost Integrated Resource Plan/Newington Continued Unit Operation study filing used this methodology when forecasting Class II solar REC prices. PSNH developed a similar forecast for Class I RECs as shown in the attached file. The most recent Energy Service rate calculation prepared for the Merrimack Scrubber update, DE 08-103, includes a forecast of Class I RECs for Schiller Station REC payments using a recent broker quote from September 30, 2010 for Class I Massachusetts RECs priced at \$20/REC. That price was escalated at 2.5% through 2015.

Class I REC Price Forecast Based on Alternative Compliance Payment (ACP)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Class I ACP Assumption (\$/MWH)	\$ 60.93	\$ 62.27	\$ 63.64	\$ 65.04	\$ 66.47	\$ 67.93	\$ 69.43	\$ 70.96	\$ 72.52	\$ 74.11	\$ 75.74
ACP Discount Rate		75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Class I REC Price (\$/MWh)		\$ 46.70	\$ 47.73	\$ 48.78	\$ 49.85	\$ 50.95	\$ 52.07	\$ 53.22	\$ 54.39	\$ 55.58	\$ 56.81