STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

APPLICATION FORM

FOR RENEWABLE ENERGY SOURCE ELIGIBILITY

Pursuant To New Hampshire Admin. Cod Puc 2500 Rules

NOTE: When completing this application electronically, using the "tab" key after completing each answer will move the cursor to the next blank to be filled in. If a question is not applicable to your facility, then check the box next to N/A.

Pursuant to Puc 202, the signed application shall be filed with the Executive Director and Secretary of the New Hampshire Public Utilities Commission (Commission). To ensure that your submitted application is complete, please read RSA 362-F and N.H. Code Admin. Rules Puc 2500 before filling out this application. It is the burden of the applicant to provide timely, accurate and complete information as part of the application process. Any failure by the applicant to provide information in a timely manner may result in the Commission dismissing this application without prejudice.

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1. **ELIGIBILITY CLASS APPLIED FOR:** [X] **I** [ ] **II** [ ] **III** [ ] **IV**

2. Applicant's legal name: Sheldon Energy LLC ("Sheldon")

3. Address:
   (1) One South Wacker Drive
   (2) Suite 1900
   (3)

Chicago	IL	60606
(City)	(State)	(Zip code)

4. Telephone number: 312-582-1525

5. Facsimile number: 312-506-1455

6. Email address: sbystriansky@invenergyllc.com

7. Facility name: High Sheldon Wind Energy Center ("Facility")

8. Facility location:
   (1) 2363 N. Sheldon Road
   (2)

Strykersville	NY	14145
(City)	(State)	(Zip code)

9. Latitude: 996570.75 Longitude: 1201819.04

10. The name and telephone number of the facility's operator, if different from owner: Same [X]

N/A (Name) N/A (Telephone number)

11. The ISO-New England asset identification number, if applicable: _____ or N/A: [X]

12. The GIS facility code, if applicable: (Application being pursued) or N/A: [X]

13. A description of the facility, including fuel type, gross nameplate generation capacity, the initial commercial operation date, and the date it began operation, if different.

The Facility is a wind-energy plant with 75 General Electric, Model SLE, 1.5 MW wind turbines. The Facility's gross nameplate generation capacity is 112.5 MW. The Facility's turbines are powered by wind and no other fuel is used in the production of electric energy at the Facility. The Facility's initial commercial operation date, and the date it began operating, was March 13, 2009.

14. If Class I certification is sought for a generation facility that uses biomass, the applicant shall submit:
   (a) quarterly average NOx emission rates over the past rolling year,
   (b) the most recent average particulate matter emission rates as required by the New Hampshire Department of Environmental Services (NHDES),
   (c) a description of the pollution control equipment or proposed practices for compliance with such requirements,
   (d) proof that a copy of the competed application has been filed with the NHDES, and
   (e) conduct a stack test to verify compliance with the emission standard for particulate matter no later than 12 months prior to the end of the subject calendar quarter except as provided for in RSA 362-F:12, II.
   (f) [X] N/A: Class I certification is NOT being sought for a generation facility that uses biomass.

15. If Class I certification is sought for the incremental new production of electricity by a generation facility that uses biomass, methane or hydroelectric technologies to produce energy, the applicant shall:
   (a) demonstrate that it has made capital investments after January 1, 2006 with the successful purpose of improving the efficiency or increasing the output of renewable energy from the facility, and
   (b) supply the historical generation baseline as defined in RSA 362-F:2, X.
   (c) [X] N/A: Class I certification is NOT being sought for the incremental new production of electricity by a generation facility that uses biomass, methane or hydroelectric technologies.

16. If Class I certification is sought for repowered Class III or Class IV sources, the applicant shall:
   (a) demonstrate that it has made new capital investments for the purpose of restoring unusable generation capacity or adding to the existing capacity, in light of the NHDES environmental permitting requirements or otherwise, and

(b) provide documentation that eighty percent of its tax basis in the resulting plant and equipment of the eligible generation capacity, including the NHDES permitting requirements for new plants, but exclusive of any tax basis in real property and intangible assets, is derived from the new capital investments.

(c) [X] N/A: Class I certification is NOT being sought for repowered Class III or Class IV sources.

17. If Class I certification is sought for formerly nonrenewable energy electric generation facilities, the applicant shall:

(a) demonstrate that it has made new capital investments for the purposes of repowering the eligible biomass technologies or methane gas and complies with the certification requirements of Puc 2505.04, if using biomass fuels, and

(b) provide documentation that eighty percent of its tax basis in the resulting generation unit, including NHDES permitting requirements for new plants, but exclusive of any tax basis in real property and intangible assets, is derived from the new capital investments.

(c) [X] N/A: Class I certification is NOT being sought for formerly nonrenewable energy electric generation facilities.

18. If Class I certification is sought for an existing small hydroelectric facility, the applicant shall submit proof that:

(a) it has installed upstream and downstream diadromous fish passages that have been required the approved under the terms of its license or exemption from the Federal Energy Regulatory Commission, and

(b) when required, has documented applicable state water quality certification pursuant to section 401 of the Clean Water Act for hydroelectric projects

(c) [X] N/A: Class I certification is NOT being sought for existing small hydroelectric facilities.

19. If the source is located in a control area adjacent to the New England control area, the applicant shall submit proof that the energy is delivered within the New England control area and such delivery is verified using the documentation required in Puc 2504.01(a)(2) a. to e.

RSA 362-F:11 and Puc 2505 establish the rules by which a facility "qualify[ies] as a facility eligible to acquire [renewable energy] certificates" ("RECs") under New Hampshire's Renewable Portfolio Standard ("RPS"). These rules ensure that the qualifying facility is located in or adjacent to New England and that the source of its electric energy is renewable, as defined by statute. New Hampshire's RPS has additional and distinct rules for the "issuance and transfer" of RECs (RSA 362-F:6.IV and Puc 2504). Those rules ensure that RECs used to satisfy New Hampshire's RPS comply with the statute's delivery requirements and that such RECs are not double counted. This application seeks a Commission order confirming that the Facility is eligible under RSA 362-F:11 and Puc 2505 only (facility eligibility as Class I resource), and does not seek any approvals under RSA 362-F:6.IV and Puc 2504 (issuance and transfer of RECs).

To be qualified as an eligible facility, New Hampshire's RPS statute requires only that the application contain (a) the name and address of the applicant, (b) the facility location, ISO-New England asset identification number, and NEPOOL GIS facility code, if available, (c) description of the facility, including the fuel type, gross generation capacity, and initial commercial operation date, (d) such other information as the applicant may provide to assist in determining the

classification of the generating facility. RSA 362-F:11. In contrast, the information requested in Item 19 is derived from RSA 362-F:6.IV and Puc 2504 (issuance and transfer of RECs). Because Sheldon does not seek any approvals under RSA 362-F:6.IV and Puc 2504, the information requested in Item 19 is not necessary to process Sheldon's application.

Any sale or transfer of the Facility's RECs to a load serving entity in New England will be undertaken by NextEra Energy Power Marketing, LLC ("NextEra"). But before NextEra undertakes those transactions in New England, Sheldon must secure a Commission order confirming that the Facility does, in fact, "qualify as a facility eligible to acquire" RECs under RSA 362-F:11 and Puc 2505 (Facility eligibility as Class I resource). Accordingly, NextEra plans to undertake the steps contemplated by Item 19 only after Sheldon confirms that the Facility qualifies as eligible. Nevertheless, to the extent that the information sought in Item 19 is available to Sheldon, that information is provided below.

a. The Facility is located in the New York ISO control area, which is adjacent to the New England control area.

b. Puc 2504.01(a)(2) a. requests documentation of a unit-specific bilateral contract or other legally enforceable obligation that is executed between the source owner, operator, or authorized agent and an electric energy purchaser located within the New England control area for delivery of the source's electric energy to the New England control area.

Sheldon has entered into a bilateral contract ("Contract") with NextEra. This confidential Contract is attached as "Exhibit 1" to Sheldon's Motion for Confidential Treatment, filed concurrently with Sheldon's application for renewable energy source eligibility. Under the Contract, Sheldon will sell RECs produced by the Facility to NextEra. The Contract provides that, for Facility RECs sold by Sheldon to NextEra, the parties will submit Conversion Transactions pursuant to New York's Conversion Transaction Rules.

A Conversion Transaction is a procedure that occurs when an entity that sells energy into the New York Spot Market and an entity that purchases a like amount of energy out of the New York Spot Market during the same settlement period, jointly identify for New York's Environmental Disclosure Program Administrator the packet of energy so that it can be disaggregated, for environmental disclosure purposes, from the residual pool of the New York Spot Market energy, in accordance with the Conversion Transactions rules and procedures. Conversion Transactions Rules and Procedures are attached as "Exhibit A." These Conversion Transactions will ensure that the renewable attributes of the Facility's electric energy sold into the New York Spot Market remain with the electric energy bought out of the spot market and sold into the New England Control Area by NextEra.

In addition, the Contract provides that NextEra will register the RECs that it buys from Sheldon with the New England Power Pool Generation Information System ("NEPOOL GIS") in accordance with the NEPOOL GIS operating rules. These rules provide that, in order for RECs from a facility adjacent to New England to qualify as "renewable" in the NEPOOL GIS (and thus satisfy RPS within New England), such RECs must be associated with energy that is imported into, and used within, the New England control area. *See* "Exhibit B," NEPOOL GIS Operating Rules,

Rule 2.7(c)(w). Under the NEPOOL GIS, RECs sold to NextEra and used to fulfill New Hampshire's RPS will not be used for compliance with any similar requirements of another non-federal jurisdiction, or otherwise sold, retired, claimed, or represented as part of any other electric energy output, portfolio, or sale.

c. Puc 2504.01(a)(2) b. requests proof of associated transmission rights for delivery of the source's electric energy from the generation unit of the source through the adjacent control area to the New England control area.

NextEra will acquire energy that will be associated with the Facility through New York Conversion Transactions. NextEra will import that energy into New England.

d. Puc 2504.01(a)(2) c., d., and e. seek documents addressing the amount of electric energy produced and delivered into New England. This documentation is not available at this time because RECs coupled with the electric energy from Sheldon have not been issued and transferred to entities in New Hampshire to fulfill their RPS requirements. Only after the Facility qualifies as a facility eligible to acquire RECs (i.e., after this application is approved), will NextEra undertake activities that produce the documentations contemplated in subsections c., d., and e.

20. All other necessary regulatory approvals, including any reviews, approvals or permits required by the NHDES or the environmental protection agency in the facility's state.

See "Exhibit C," Documents 1 – 13 (CD Attachment).

21. Proof that the applicant either has an approved interconnection study on file with the commission, is a party to a currently effective interconnection agreement, or is otherwise not required to undertake an interconnection study.

See "Exhibit C," Document 12 (CD Attachment).

22. A description of how the generation facility is connected to the regional power pool of the local electric distribution utility.

The Facility is connected to the regional power pool of local electric distribution utilities through its attachment facilities that are connected to the transmission grid. The Facility's attachment facilities consist of (i) the electrical collection system, (ii) a 34.5 kV project substation including the 34.5/230 kilovolt ("kV") main power transformer, (iii) a 230 kV circuit breaker, and (iv) overhead 230 kV bus work and a 230 kV disconnect switch connecting the main power transformer to the transmission owner's attachment facilities. See "Exhibit C," Document 12, Appendix A.

23. A statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standard and proof thereof.

Yes. The Facility has been certified by Maine. *See* "Exhibit D." The Facility has also been approved as a renewable resource in New York. *See* "Exhibit E."

24. A statement as to whether the facility's output has been verified by ISO-New England.

Application to register the Facility with NEPOOL's GIS is currently being pursued.

25. A description of how the facility's output is reported to the GIS if not verified by ISO-New England.

Output will be verified by ISO-New England.

26. An affidavit by the owner attesting to the accuracy of the contents of the application.

See "Exhibit F."

27. Such other information as the applicant wishes to provide to assist in classification of the generating facility.

28. This application and all further correspondence should be sent to:

Ms. Debra A. Howland
Executive Director and Secretary
State of New Hampshire
Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, NH 03301-2429

29. Preparer's information:

Name: Mosby G. Perrow
Title: Attorney
Address: (1) Jones Day
(2) 51 Louisiana Ave
(3)
Washington (City) DC (State) 20001 (Zip code)

Contact Number: 202-879-3410

Contact Email: mgperrow@jonesday.com

30. Preparer's signature:

LIST OF EXHIBITS

Exhibit A	New York Conversion Transactions Rules.
Exhibit B	GIS Operating Rules.
Exhibit C	Permits and Authorizations (Documents List and CD).
Exhibit D	ME Puc Order Granting New Renewable Resource Certification, Docket No. 2009-120 (April 9, 2008).
Exhibit E	2008 NY PSC Case No. 07-E-0213 (Jan. 17, 2008).
Exhibit F	Affidavit.