

HYDRO MANAGEMENT GROUP, LLC

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January 3, 2013

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
Attn: Executive Director and Secretary Howland



Re: DE 12-210 Spaulding Ave Industrial Complex

Dear Ms. Howland,

Pursuant to New Hampshire Administrative Code Puc 202, on December 20, 2012 Hydro Management Group, LLC, as authorized agent and REC aggregator for Spaulding Ave. Industrial Complex, LLC was notified by your office that 100% of the generation from the Spaulding Pond Hydroelectric facility (MSS35379) had been qualified as a NH Class 1 Resource. (see Attached Appendix A). After consulting with Spaulding Ave. Industrial Complex, LLC, the unit owner, it has come to our attention that a small portion of the electricity generated by the Spaulding Pond hydroelectric facility is used behind the meter. As such, Hydro Management Group, LLC has set up an additional asset with the NEPOOL GIS to record the behind the meter usage at the facility. This additional asset is registered under with the NEPOOL GIS under facility code **NON35901**.

Mr. William P. Short III, an independent consultant has been retained by Spaulding Ave Industrial Complex, LLC in his capacity as an Independent Monitor, to perform meter reading services and input in the NEPOOL GIS, Spaulding Ave Industrial Complex's behind the meter generation. Mr. Short is thoroughly familiar with the NEPOOL GIS and all aspects of the requirements of the New Hampshire RPS, including the requirements of Independent Monitors. Mr. Short has no direct ownership interest in Spaulding Ave Industrial Complex, LLC or any of their affiliates. Mr. Short is paid a fixed fee for his services and is qualified as an Independent Monitor in the State of New Hampshire. If Mr. Short's business relationship with Spaulding Ave Industrial Complex, LLC should change, the NHPUC will be notified immediately and Spaulding Ave Industrial Complex, LLC will designate an alternate qualified Independent Monitor.

Please let me know if you need any additional information on order to qualify Spaulding Ave Industrial Complex LLC's NEPOOL GIS facility **NON35901** which represents behind the meter generation produced by the Spaulding Pond hydroelectric facility as a NH Class 1 Resource.

An electronic copy of this request was emailed to you at executive.director@puc.nh.gov and Barbara Bernstein at barbara.bernstein@puc.nh.gov on Thursday, January 3, 2013 and three hard copies were delivered to your attention at the New Hampshire PUC via overnight mail on Friday, January 4, 2012.

Thank you in advance for review of this application and please contact me at 617-367-0032 or al@essexhydro.com with any questions

Sincerely,

Spaulding Ave. Industrial Complex, LLC
by Hydro Management Group, its agent
as aggregator

A handwritten signature in black ink, appearing to read 'AL', with a long horizontal flourish extending to the right.

Andrew Locke
Vice President

APPENDIX A

DE 12-210

Hydro Management Group, LLC's Eligibility Request for the Spaulding Ave. Industrial Complex, LLC, Spaulding pond Hydroelectric Facility to Produce Class 1, New Hampshire Renewable Energy Certificates (RECs) Pursuant to RSA 362-F
New Hampshire Certification Code NH-I-12-089

THE STATE OF NEW HAMPSHIRE

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December 20, 2012

Andrew Locke
Vice President
Hydro Management Group, LLC
c/o Essex Hydro Associates, LLC
55 Union Street, 4th Floor
Boston, MA 02108

Re: **DE 12-210**, Hydro Management Group, LLC's Eligibility Request for the Spaulding Ave. Industrial Complex, LLC, Spaulding Pond Hydroelectric Facility to Produce Class I, New Hampshire Renewable Energy Certificates (RECs) Pursuant to RSA 362-F **New Hampshire Certification Code NH-I-12-089**

Dear Mr. Locke:

On July 13, 2012, Hydro Management Group, LLC (Hydro Management) submitted an application requesting Class IV certification for the Spaulding Ave. Industrial Complex, LLC (Spaulding Ave. Industrial Complex) – Spaulding Pond Hydroelectric facility (Spaulding Pond Hydro) pursuant to RSA 362-F, New Hampshire's Renewable Portfolio Standard law and Laws of 2012, Chapter 0272. Staff reviewed the Hydro Management certification request and determined that the facility was not eligible for Class IV RECS because the project began commercial operation August 17, 2010. Pursuant to RSA 362-F, Class IV hydroelectric facilities are required to have begun operation prior to January 1, 2006.

On July 30, 2012, Staff requested that Hydro Management resubmit the Spaulding Pond Hydro application requesting Class I eligibility. The Class I application request was received August 01, 2012. Clarification was sought via email on August 22, 2012 and again on September 14, 2012. Additional information was requested on October 08, 2012 and a response, which completed the application, was received November 06, 2012. Staff has determined that the applicant meets the eligibility requirements under RSA 362-F:4, as a Class I renewable energy source effective November 06, 2012.

Spaulding Pond Hydro is located on the Salmon Falls River in Rochester, NH. It is a run-of-river facility that includes a 165-foot by 23-foot high dam, three head gates, a powerhouse and other appurtenances. The nameplate capacity of the facility has been verified by the GIS as .300 megawatts of electrical production. The project began commercial operation August 17, 2010. Spaulding Ave. Industrial Complex has demonstrated that at least 80 percent of its

resulting tax basis of the source's plant and equipment is derived from capital investment directly related to restoring generation or increasing capacity. Staff has reviewed the application and recommends approval, noting that the Spaulding Pond Hydro application was completed on November 06, 2012 in accordance with New Hampshire Code of Administrative Rules Puc 2500.

Prior to the Spaulding Ave. Industrial Complex's restoration of the dam, the facility had been inoperable for 10 to 15 years. The City of Rochester clarified that the City attributed no value to the turbine and dam when the property was assessed following the current owner's purchase. Therefore, Staff recommends that 100 percent of the facility's output be qualified as a Class I hydroelectric facility.

Hydro Management provided FERC approvals for Spaulding Pond Hydro under project number (3985-000) as well as a copy of the Interconnection Agreement for Purposes of Generation Interconnection between Public Service Company of New Hampshire (PSNH) and Spaulding Ave. Industrial Complex, LLC, dated August 01, 2010.

The Commission has reviewed the Spaulding Pond Hydro application and determined that all the necessary documentation has been provided to demonstrate that it is eligible for Class I certification. Therefore, the Commission hereby certifies Spaulding Pond Hydro as a Class I renewable energy source eligible to be issued New Hampshire Class I RECs effective November 06, 2012 for 100 percent of its electrical production.

The facility's NEPOOL generation information system (GIS) facility code is MSS 35379. Attached please find a copy of the notice of this certification provided to the GIS administrator. The New Hampshire Renewable Portfolio Standard certification code for Spaulding Pond Hydro is NH-I-12-089.

Sincerely,



Debra A. Howland
Executive Director

cc: Andrew Locke, Hydro Management Group, LLC