

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: October 16, 2012

AT (OFFICE): NHPUC

FROM: Barbara Bernstein 
Sustainable Energy Analyst

SUBJECT: DE 12-275, KEI (USA) Power Management, Inc.'s Request for Class IV Certification for the KEI – Pumpkin Hill (Lowell Tannery) Hydroelectric Facility to Produce New Hampshire Renewable Energy Certificates (RECs) Pursuant to RSA 362-F and Chapter 272, Laws of 2012

Staff Recommends that Eligibility be Granted

TO: Chairman Amy L. Ignatius
Commissioner Robert R. Scott
Commissioner Michael Harrington
Debra A. Howland, Executive Director and Secretary

CC: Jack K. Ruderman, Director of the Sustainable Energy Division
Suzanne Amidon, Staff Attorney



Summary

On September 18, 2012, KEI (USA) Power Management, Inc. (KEI) submitted an application requesting Class IV certification for the KEI – Pumpkin Hill – Lowell Tannery Hydroelectric (Pumpkin Hill – Lowell Tannery Hydro) facility pursuant to RSA 362-F, New Hampshire's Renewable Portfolio Standard law and Chapter 272, Laws of 2012. Staff has reviewed the certification request for Pumpkin Hill – Lowell Tannery Hydro's .999 megawatts (MW) of electrical production and has determined that it meets the eligibility requirements under RSA 362-F:4, as a Class IV hydro facility and complies with the New Hampshire Code of Administrative Rules Puc 2500. Staff has determined that the application was complete as submitted and recommends approval for Pumpkin Hill – Lowell Tannery Hydro as a Class IV renewable energy source effective September 18, 2012.

Analysis

To qualify as a facility eligible to produce RECs, Puc 2505.02 (b) requires the source to demonstrate its eligibility by completing the following:

- 1) *The name and address of the applicant:* The applicant is KEI (Maine) Power Management (II) LLC, KEI (USA) Power Management, Inc., 3285 chemin Bedford, Montreal, Quebec, Canada, H3S 1G5.

- 2) *The name and location of the facility:* Pumpkin Hill – Lowell Tannery Hydro is located at 172 Tannery Road, Lowell, ME 04967.
- 3) *The ISO-New England asset identification number (if available).* The ISO-New England asset identification number is ISO-NE#: 42114.
- 4) *The GIS facility code if available.* Not currently available.
- 5) *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.* Pumpkin Hill – Lowell Tannery Hydro is located on the Passadumkeag River near the Town of Lowell, in Penobscot County, Maine. It is operated in a run-of-river mode with excess flows passing over the top of the flashboards. The Pumpkin Hill – Lowell Tannery Hydro dam consists of a concrete gravity dam, spillway and flashboards, a reservoir, powerhouse, and other appurtenances. The facility began commercial operation in March of 1987; the nameplate generation capacity is .999 megawatts (MW) of electricity.
- 6) *(N/A – pertains to biomass sources).*
- 7) *All other necessary regulatory approvals, including any reviews, approvals or permits granted by the department.* Pumpkin Hill – Lowell Tannery Hydro has been approved by the Federal Energy Regulatory Commission, (FERC Project # 4202), and by the State of Maine, Department of Environmental Protection (DEP).
- 8) *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.* A Power Purchase Agreement between Pumpkin Hill Power Company and Bangor Hydro-Electric Company (dated August 9, 1984) has been provided.
- 9) *(N/A – pertains to biomass sources).*
- 10) *A description of how the generation facility is connected to the distribution utility.* Electricity is delivered from Pumpkin Hill – Lowell Tannery Hydro through the Project's transformer interconnected to the Bangor Hydro-Electric distribution line.
- 11) *A statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standard and proof thereof.* Pumpkin Hill – Lowell Tannery Hydro is not currently certified as a renewable energy resource in any non-federal jurisdiction's renewable portfolio standard.
- 12) *A statement as to whether the facility's output has been verified by ISO New England.* The GIS administrator has verified that the Pumpkin Hill – Lowell Tannery Hydro output is registered with the GIS; the Power Purchase Agreement between Pumpkin

Hill Power Company and Bangor Hydro-Electric Company verifies the facility's output.

13) *A description of how the facility's output is reported to the GIS if not verified by ISO-New England.* Not applicable.

14) *An affidavit by the owner attesting to the accuracy of the contents of the application.* An affidavit signed by Guy J. Paquette, Vice President – Corporate and Legal Affairs of KEI (Maine) Power Management, was provided with the application as Attachment 6.

Pursuant to Puc 2502.10, and Chapter 272, Laws of 2012, to qualify as a Class IV source, the hydroelectric generation facility must have begun operation on or before January 1, 2006 and when required, have documented applicable state water quality certification pursuant to section 401 of the Clean Water Act for hydroelectric projects. In addition, the generation facility must either:

- (a) Have a total nameplate capacity of 5 MWs or less as measured by the sum of the nameplate capacities of all generators at the facility, and have actually installed both upstream and downstream diadromous fish passages and such installations have been approved by FERC; or,
- (b) Have a total nameplate capacity of one MW or less as measured by the sum of the nameplate capacities of all generators at the facility, be in compliance the FERC fish passage restoration requirements, and be interconnected with an electric distribution system located in New Hampshire.

Pumpkin Hill – Lowell Tannery Hydro began commercial operation in March 1987 and has a capacity of .999 MW and meets the conditions of Laws of 2012, Chapter 272 including FERC-required and approved upstream and downstream diadromous fish passages described in Attachment 1 – FERC Orders # 4202, and Attachment 2 – State of Maine DEP Board Order.

Recommendation

Staff has reviewed Pumpkin Hill – Lowell Tannery Hydro's application for certification as a Class IV facility and can affirm it is complete pursuant to N. H. Code Admin. Rule Puc 2500 and the conditions of Chapter 272, Laws of 2012. Staff recommends that the Commission certify Pumpkin Hill – Lowell Tannery Hydro's electricity production as being eligible for Class IV RECs effective September 18, 2012, the date on which Staff was able to make a determination that the facility met the requirements for certification as a Class IV renewable energy source.