

Subject: RPS Review

To: Maureen Reno / Kate Epsen, New Hampshire Public Utilities Commission

Date: April 12, 2011

Dear Ms. Reno and Ms. Epsen,

In connection with the New Hampshire Public Utilities Commission's (PUC) review of RSA ch. 362-F, the Conservation Law Foundation (CLF) offers several brief comments on the issues addressed at the work session held on March 15, 2010, relative to the adequacy of Renewable Portfolio Standards (RPS) class requirements:

- First, CLF supports extending RPS requirements beyond 2025. Moreover, requirements should not be frozen at 2025 levels; providing for additional increases would help further incentivize the development and financing of new renewable sources, consistent with the RPS statute's purposes.
- Second, we do not believe that any changes to the fish passage requirements for Class IV Renewable Energy Certificate (REC) qualification are appropriate or consistent with the environmental goals of the RPS program. As the Nature Conservancy pointed out at the work session, these requirements help ensure that RPS incentives are available only to small-scale hydropower installations that seek to minimize and mitigate the potentially negative impacts of dams and other hydropower infrastructure on fish habitat and behavior. If, however, it could be demonstrated that a modest increase in the 5 MW size maximum for Class IV sources would lower market barriers and allow for economic installation of the required fish protection technologies, such an increase may be appropriate.
- Third, CLF sees value in minimizing administrative requirements associated with monitoring and metering small net-metered renewable sources to verify RECs that are generated by such installations. In this regard, the New Hampshire Electric Coop approach of having the utility act as a direct buyer or, alternatively, as the owner's agent in selling and verifying RECs, may be a replicable model for other utilities. CLF does not support PSNH's suggestion that RECs generated by such sources should always be transferred to utilities without further compensation to the source owner; whatever REC income is generated should help offset the major investments by source owners in their renewable energy installations, not automatically reduce utilities' RPS obligations without owner compensation.
- Fourth, CLF does not object to a price support mechanism, such as a suggested price minimum or a reasonable price floor tied to project costs, to ensure reasonable REC prices for each class, especially new source classes. However, a better solution more responsive to the public policy underlying the RPS statute would be a substantial upward revision in class requirements beyond the current statutory levels for those classes with oversupply.

These comments are not intended to be comprehensive, and CLF reserves its right to make further comments on these issues in the future. CLF appreciates the opportunity to participate in the PUC's review of New Hampshire's RPS program and looks forward to upcoming work sessions.

Respectfully submitted,

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