

**TESTIMONY OF
RIDGEWOOD RENEWABLE POWER, LLC ON**

***THE CRITERIA FOR A SUCCESSFUL
RENEWABLE PORTFOLIO STANDARD***

**STATE OF NEW HAMPSHIRE
ENERGY PLANNING ADVISORY BOARD
STAKEHOLDER FORUM**

PRESENTED BY

**WILLIAM P. SHORT III
VICE PRESIDENT OF POWER MARKETING
RIDGEWOOD POWER MANAGEMENT, LLC**

June 23, 2006

Ridgewood Renewable Power (“Ridgewood”) believes that the following criteria are essential for the proper development of a well functioning Renewable Portfolio Standard (“RPS”) program in New Hampshire. Furthermore, Ridgewood believes that a properly designed RPS program will produce benefits to the public approximately equal to its cost and, unlike the Regional Greenhouse Gas Initiative, will lead to the construction of new renewable generating facilities in New Hampshire if not in New England.

- *Set the start date of the New Hampshire RPS for the third year from the year of enactment.* Start dates of less than three years from the date of enactment will only result in a significant percentage of non-compliance in the early years of the RPS. Unless implemented, essentially, customers would be paying for an RPS and getting nothing for it.
- *Break the RPS requirement between existing and new renewables (and not by generation technology).* Attempts to include sizable amounts of existing renewable generation in with new renewable generation have resulted in saturated RPS programs in New England and no new renewables being constructed.
- *Permit existing renewables into the new renewables category only for additional generation above an historical baseline, repowered existing generation or new generation in place of existing generation.* Goals of the RPS should be to reward existing renewables that produce more renewable energy from the same facility or to provide incentives for the replacement of existing renewable generation at the same site with new renewable generation.
- *Set existing renewables requirement based on existing NEPOOL renewable supply.* A saturated RPS for existing renewables does nothing to support those renewables; thus, RPS requirements for existing renewables should be set at just below the present levels of existing renewable generation.
- *Set new renewables requirement based upon a reasonable build-out rate.* Once a requirement for new renewables is implemented, it still

will take several years before renewable projects are placed in commercial operation; and, several more years before sizable amounts of new renewables are regularly being placed in-service.

- *Create an Alternative Compliance Payment (“ACP”) feature similar to those of the Massachusetts and Rhode Island RPS programs.* In order for New Hampshire to attract new renewables, it is necessary that the state offer the identical incentives as its neighboring states. There is no need to have a higher ACP. A lower ACP will only result renewables going to these other states’ RPS programs first and New Hampshire’s program last.
- *Exclude from the RPS program those generation technologies with negative fuel costs or those technologies whose further development or operation have serious environmental impacts.* Much has been said about including/excluding C&D wood or MSW plants in state RPS programs. Free fuel-fired power plants have little-to-no economic reason to be in state RPS programs. Obviously, environmentalists are vehemently opposed to these fuels on just their air and solid waste pollution profiles.
- *Include language to permit the New Hampshire PUC to add other renewable generation technologies to the list of qualified renewable technologies provided that the technology is both low emission and advanced.* Experience has taught us that permitting flexibility in a RPS program will permit innovative technologies to be developed and included in an RPS without having first to return to the state legislature for modification to the RPS statute.
- *Base compliance upon NEPOOL GIS certificates.* All New England states already use the NEPOOL GIS for their RPS compliance; adoption of this requirement will insure a region-wide uniform standard for compliance and will eliminate any chance for double counting of renewable energy.
- *Require that the renewable generation be located in NEPOOL or, if located outside of NEPOOL, schedule and deliver its energy into NEPOOL.* Similar to the prior comment, this will create a New England-wide standard.

- *Permit only the banking of NEPOOL GIS certificates for future RPS compliance.* Banking will help Load utilize its excess renewable energy purchases in the current year towards future years' compliance.

There are numerous other comments that could be made about what makes a particular Renewable Portfolio Standard successful. Most of these comments would be considered minor changes and would help fine tune an RPS. These should be taken up in a workshop proceeding.