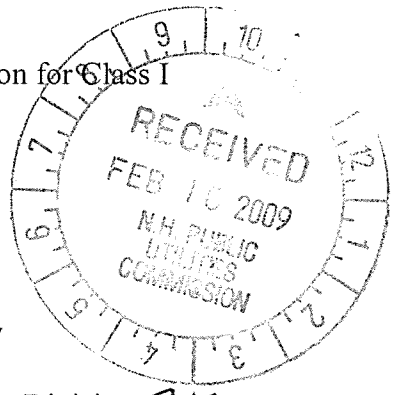
STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: February 6, 2009
AT (OFFICE): NHPUC

FROM: Maureen L. Reno MLR
Utility Analyst III

SUBJECT: DE 08-174 Conservation Services Group's Application for Class I Eligibility Pursuant to RSA 362-F
Staff Recommendation



TO: Chairman Thomas B. Getz
Commissioner Graham J. Morrison
Commissioner Clifton C. Below
Debra A. Howland, Executive Director and Secretary

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

Summary

On December 30, 2008, Conservation Services Group submitted an application requesting the Commission grant approval of Modern Innovative Energy's Modern landfill methane gas facility (Modern facility) to produce Class I Renewable Energy Certificates (RECs) pursuant to RSA 362-F, New Hampshire's Electric Renewable Portfolio Standard law. Pursuant to RSA 362-F:4, I, Class I eligibility requires a facility to have begun the production of electricity after January 1, 2006 and to use certain sources to produce electricity, one of which is landfill methane gas.

Pursuant to RSA 362-F, the Commission, in a non-adjudicative process, must issue a determination of whether a facility meets a particular classification within 45 days of a completed application. The Modern facility is a landfill methane gas facility that began commercial operation in February 2006. The facility meets the Class I eligibility requirements under RSA 362-F:4, I and Conservation Services Group has complied with the N. H. Code Admin. Rule Puc 2500 and has provided all the necessary information. Based on its review of the application, Staff recommends that the Commission approve the Modern facility as eligible for Class I RECs.

Analysis

The Modern facility is located at 1455 Pletcher Road, Youngstown, New York. The facility's initial commercial operation date was February 2006. It has a gross nameplate capacity of 6.4 megawatts and its NEPOOL GIS facility code is IMP 32580.

Pursuant to Puc 2505.02 (b) (8), the applicant must submit proof that it 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." The applicant submitted a cover letter to the Original Service Agreement No 915 between Niagara Mohawk and Modern Energy, LLC under the New York Independent System Operator, LLC's open access transmission tariff, FERC Electric Tariff, Original Volume No. 1, that was submitted to the Federal Energy Regulatory Commission (FERC) on March 2, 2006. Although the applicant did not submit the interconnection agreement, the submitted letter references the Small Generator Interconnection Agreement that was effective November 30, 2005, thereby providing proof that Modern Energy, LLC, owner of the Modern facility, is a party to a currently effective interconnection agreement. Staff verified with FERC that the Interconnection Agreement is on file with FERC.

Pursuant to Puc 2505.02 (b) (11), the applicant shall include a statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standards and proof thereof. The applicant stated and Staff verified that the facility has been certified under the Connecticut, Maine, Maryland, Massachusetts and Rhode Island renewable portfolio standard programs.

The Modern facility is located in New York, which is a control area adjacent to the New England control area. Therefore, the facility geographically qualifies to import power into the control area pursuant to the NEPOOL GIS Operating Rules 2.7(c). Pursuant to Puc 2504.01(a)(2), a facility in an adjacent control area may be eligible to produce renewable energy certificates provided that the electricity is delivered within the New England control area and is verified by submitting to the Commission the following:

a) Documentation of a unit-specific bilateral contract that is executed between the source owner, operator, or authorized agent and an electric energy purchaser located within the New England control area;
b) Proof of associated transmission rights for delivery of the source's electric energy to the New England control area;
c) Documentation that the electrical energy delivered was settled in the ISO-New England wholesale market system;
d) Documentation that the source produced the amount of megawatt-hours claimed per hour, as verified by the GIS administrator; and
e) Confirmation that the electricity delivered received a North American Electric Reliability Corporation tag from the originating control area to the New England control area.

Also, if the originating control area employs a generation information system that is comparable to the GIS, such system may be used to support the documentation required

in item d) of Puc 2504.01 (a)(2). Therefore, given that the facility is located in New York, which is an adjacent control area, the applicant will need to provide proof to the Commission that the electricity produced by the facility was imported into the New England control area to receive Class I RECs associated with that electricity. The applicant must provide such proof when it submits similar information to the GIS administrator as required by GIS Operating Rule 2.7(c).

Recommendation

Staff has reviewed Conservation Services Group's application for the Modern facility and can affirm it is complete pursuant to N. H. Code Admin. Rule Puc 2500. Staff recommends that the Commission certify the Modern facility as being eligible for Class I RECs effective December 30, 2008, the date on which Staff was able to make a determination that the facility met the requirements for certification as a Class I renewable energy source.