

STATE OF NEW HAMPSHIRE

Intra-Department Communication

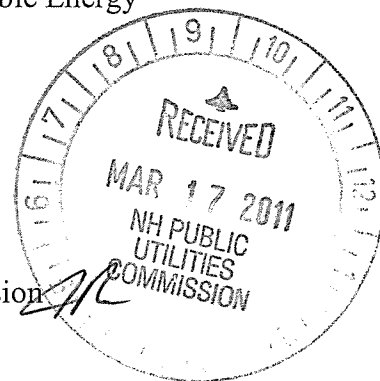
DATE: March 16, 2011
AT (OFFICE): NHPUC

FROM: Maureen L. Reno, *MLR*
Utility Analyst

SUBJECT: Staff Recommendation Re: DE 09-008 Recertification of the Indeck-Alexandria Energy Center Facility as a Class I Renewable Energy Source Pursuant to RSA 362-F

TO: Chairman Thomas B. Getz
Commissioner Clifton C. Below
Commissioner Amy L. Ignatius
Debra A. Howland, Executive Director

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



Summary

On January 28 and February 10, 2011, Indeck Energy-Alexandria, LLC (Indeck), submitted documents stating that the Indeck-Alexandria Energy Center facility (Alexandria facility) emissions data for the fourth quarter of 2010 meets the emissions requirements for New Hampshire's Renewable Portfolio Standard (RPS) program. Because the Alexandria facility failed to meet such requirements for the third quarter, the Commission had previously suspended the facility's eligibility to produce Class I renewable energy certificates (RECs) for the third quarter of 2010 and until further ordered. See Order Nisi No. 25,172, dated November 23, 2010.

On February 3, 2011, the Department of Environmental Services (DES) submitted a letter to the Commission recommending that the Commission recertify the Alexandria facility as a Class I renewable energy source for the fourth quarter of 2010. This recommendation was based on DES' determination that the Alexandria facility has met the RPS requirements in the fourth quarter by maintaining its quarterly average Nitrogen Oxides (NO_x) emissions rate at or below 0.075 lb per MMBTU. Based on DES' determination and as permitted under the N.H. Code of Administrative Rule PUC 2505.04, Staff recommends that the Commission lift the Alexandria facility suspension, thereby recertifying the facility as eligible to produce Class I renewable energy certificates (RECs).

Analysis

On November 16, 2010, the New Hampshire Department of Environmental Services (DES) notified the Commission that the Indeck Energy-Alexandria facility (Alexandria facility) exceeded the statutory limits for NO_x emissions during the third calendar quarter for 2010. Based on DES' recommendation, the Commission issued Order No. 25,172, on November 23, 2010, suspending the eligibility of the Alexandria facility to produce Class I RECs for the third quarter of 2010 and until further ordered.

Puc 2505.04 (h) and (i) states that a facility whose certification has been suspended shall have its suspension lifted upon demonstration to the Commission of certification by DES that it meets the emissions limits. Upon demonstration of such compliance, the facility shall be certified to produce RECs as of the next calendar quarter. On January 28, 2011, Indeck submitted to the Commission and DES its Fourth Quarter 2010 Emission Report stating that the facility's NH₃ NO_x converter is operating properly and in accordance with the Temporary Permit TP-B-0532.¹ On February 3, 2011, DES notified the Commission that it had verified that Indeck's Emission Report demonstrated that the fourth quarter average NO_x emissions of 0.063 lbs per MMBTU meets the 0.075 lbs per MMBTU NO_x emissions limit required under RSA 362-F:2, VIII (a). DES further recommended that the Commission recertify the Alexandria facility as a Class I renewable energy source for the fourth quarter.

According to the NEPOOL GIS Operating Rule 2.5, the deadline for information pertaining to the creation of fourth quarter 2010 RECs is April 10, 2011. Therefore, if the Commission were to lift the Alexandria facility's suspension, the Commission must notify APX, Inc., the GIS Administrator, of such a ruling prior to April 10, 2011.

Recommendation

Pursuant to the N.H. Code of Administrative Rules Puc 2505.04 (h), Staff recommends that the Commission grant Indeck's request and recertify the Alexandria facility as eligible to produce Class I RECs, effective October 1, 2010, prior to the NEPOOL GIS deadline of April 10, 2011.

¹ On February 10, 2011, Indeck submitted a second letter, a summary of emissions data and a signed attestation that stated that the Alexandria facility met the RPS requirements during the fourth quarter 2011.