

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: September 22, 2009

AT (OFFICE): NHPUC

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

SUBJECT: DE 09-103, Broome Energy Resources, LLC's
Certification Application for Class I and Class III Eligibility Pursuant
to RSA 362-F: Staff Recommendation

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

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

Summary

On May 26, 2009, Broome Energy Resources, LLC (BER) submitted an application requesting the Commission grant approval of its Nanticoke landfill methane gas facility (Nanticoke facility) to produce Class I and Class III Renewable Energy Certificates (RECs) pursuant to RSA 362-F, New Hampshire's Electric Renewable Portfolio Standard law. Pursuant to RSA 362-F:4, Class III eligibility requires a methane gas facility to have begun operation prior to January 1, 2006. Incremental new production of electricity greater than the historical generation baseline from an eligible methane source qualifies for Class I eligibility if the facility undergoes capital investments in efficiency improvement or capacity additions after January 1, 2006.

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 Nanticoke facility is a landfill methane gas facility that qualifies as a Class III facility because it began operation prior to January 1, 2006 as a 1.3 megawatt facility. The facility also qualifies to produce Class I RECs due to capital investments made in 2007 that increased the capacity of the facility from 1.3 megawatts to 2.6 megawatts. As a result, the associated electricity greater than the facility's historical generation baseline meets Class I eligibility under New Hampshire's RPS Law. BER 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 Nanticoke facility as eligible for Class I and Class III RECs.

Analysis

The Nanticoke facility is located at 286 Knapp Road, Binghamton, New York. The Nanticoke facility began commercial operation on March 13, 2004 as a 1.3 megawatt facility and added 0.5 and 0.8 megawatts in capacity for commercial operation on January 17, 2007 and October 19, 2007, respectively.¹ The NEPOOL GIS facility identification number for the facility is IMP 32676.

Pursuant to RSA 362-F:4 I (i), the incremental new production of electricity in any year from a methane source over its historical generation baseline may be eligible to produce Class I RECs, provided the Commission certifies demonstrable completion of capital investments attributable to the efficiency improvements, additions of capacity or increased renewable energy output. Given that the facility increased its capacity from 1.3 megawatts to 2.6 megawatts in 2007, the applicant has demonstrated that the facility's capital investments increased renewable energy output as required under RSA 362-F:4 I(i) and qualifies to receive Class I RECs for the generation that exceeds the facility's historical generation baseline. The applicant provided the historical generation baseline, defined in RSA 362-F:2 X (a), as the average annual electrical production from a facility other than hydroelectric, stated in megawatt-hours, for the three years 2004 through 2006. Nanticoke's average annual electrical production from 2004 to 2006 was 7,851 megawatt-hours. Any electrical output that exceeds this historical generation baseline is eligible to receive Class I RECs.

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." BER submitted and Staff verified an interconnection agreement with New York State Electric & Gas Corporation effective December 10, 1998.²

Pursuant to Puc 2505.02 (b) (11), the applicant must indicate whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standard and proof thereof. The Nanticoke facility has been certified in Massachusetts as a Class I renewable generation unit.

The Nanticoke 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 New England 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

¹ Nanticoke plans to install an additional 0.8 megawatts in capacity in May 2010.

² According to the applicant, any additional increases in capacity will require an update to the interconnection agreement.

into the New England control area and such delivery 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 electricity to the New England control area;
- c) Documentation that the electricity 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.

The applicant will initially be required to provide to the Commission documentation of a unit-specific contract, item (a), and resubmit such documentation when substantial changes are made. Additionally, the applicant will be required to provide to the Commission on a quarterly basis items (b) through (e) to receive Class I and Class III RECs associated with electricity imported into the New England control area.

Recommendation

Staff has reviewed BER's application for the Nanticoke facility and can affirm it is complete pursuant to N. H. Code Admin. Rule Puc 2500. Staff recommends that the Commission certify the Nanticoke facility as being eligible for Class III RECs and that generation greater than Nanticoke's historical generation baseline be eligible for Class I RECs, effective August 11, 2009.

