

# STATE OF NEW HAMPSHIRE

## Intra-Department Communication

**DATE:** March 30, 2010

**AT (OFFICE):** NHPUC

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

**SUBJECT:** Staff Recommendation Re: DE 09-104, Springfield Power, LLC  
Application for Class I and Class III Eligibility Pursuant to RSA 362-F

**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  
Suzanne Amidon, Staff Attorney



### *Summary*

On May 29, 2009, Springfield Power, LLC (Springfield Power) submitted an application requesting the Commission grant approval of the Springfield Power biomass facility (Springfield Power facility) to produce Class I renewable energy certificates (RECs) pursuant to RSA 362-F, New Hampshire's Electric Renewable Portfolio Standard law. After discussions with Staff, Springfield Power modified its request. Its new request is two-fold: 1.) allow the facility to be eligible for Class III RECs, and 2.) allow the output in excess of the facility's historical generation baseline to be eligible for Class I RECs.

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 receipt of a completed application. On February 25, 2010, Springfield Power complied with the N. H. Code of Admin. Rules Puc 2505.02 by providing all the necessary information for Staff's review. The Springfield Power facility is a biomass facility that qualifies as a Class III facility because it began operation prior to January 1, 2006 as a 16 megawatt (MW) facility. Due to capital investments made in 2009 that increased the gross nameplate capacity of the facility from 16 MW to 18 MW, the facility's output in excess of its historical generation baseline also qualifies for Class I RECs. Based on its review of the application, Staff recommends that the Commission approve Springfield Power's request.

## *Analysis*

The Springfield Power biomass facility uses eligible biomass fuels as defined in RSA 362-F:2. The facility is located at 54 Fisher Corner Road, Springfield, New Hampshire. The Springfield Power facility began commercial operation in July 1988 as a 16 megawatt facility and added 2.0 megawatts in gross nameplate capacity that began commercial operation on October 25, 2009. The facility's NEPOOL generation information system facility code number is MSS 436.

Staff disagreed with Springfield Power's original request that the facility be eligible to receive Class I RECs. Staff found that 2007 and 2008 capital investments were made to maintain stable operating conditions, which did not meet the requirements under RSA 362-F:4 (j) that the investment be related to restoring generation or increasing capacity. As a result, Springfield Power temporarily withdrew its application. After Springfield Power made additional capital investments in 2009, it contacted Staff seeking to reopen its application. On February 3, 2010, Springfield Power submitted a letter asking that its initial request for Class I status be changed to Class III status. Staff then notified the applicant that, due to the 2009 capital investments, the facility's output that exceeds its historical generation baseline also qualifies for Class I RECs.

Pursuant to RSA 362-F:4 I (i), the incremental annual electrical production from a biomass source greater than 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 gross nameplate capacity from 16 megawatts to 18 megawatts in 2009, 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 for the three years 2004 through 2006. Springfield Power's average annual electrical production during that period was 118,530 megawatt-hours. Any electrical output that exceeds this historical generation baseline is eligible to receive Class I RECs.

On January 26, 2010, the New Hampshire Department of Environmental Services (DES) notified the Commission that the Springfield Power facility meets average emissions rates of 0.02 pounds per million British thermal unit (lb/MMBtu) of particulates and 0.075 lb/MMBtu of nitrogen oxides. Based on its emission profile, the facility qualifies as a renewable energy source eligible to receive both Class I and Class III 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.” The applicant submitted a copy of the PSNH Interconnection Report for Customer Generation dated October 15, 2008. The report is an addendum to the existing Interconnection Report issued in May 1986 and describes the necessary modification needed to increase plant net peak output to 17.5 MW.

Pursuant to Puc 2505.02 (b) (11), the applicant must include a statement as to whether the facility has been certified under another non-federal jurisdiction’s renewable portfolio standard and proof thereof. The Springfield Power facility has been certified in Connecticut as a Class I renewable generation source.

Springfield Power also filed a motion for confidential treatment of certain sections of its application, specifically Attachment 1: Item 16 and Attachment 6: Houlihan Lokey Report, pursuant to RSA 91-A:5 and Puc 203.08. RSA 91-A:5 states that New Hampshire exempts from public disclosure certain “confidential, commercial, or financial information.” The applicant stated that the amount and description of capital additions listed in Item 16 and the Houlihan Lokey Report’s facility valuation estimates contain commercially sensitive information. Staff recommends that the Commission grant Springfield Power’s request because these attachments contain commercially sensitive information that, if publicly disclosed, could harm the competitive position of the company.

### ***Recommendation***

Staff has reviewed the Springfield Power facility application and can affirm that the Springfield Power application was completed pursuant to Puc 2505.02 on February 25, 2010. Staff recommends that the Commission certify the Springfield Power facility as being eligible for certification as a Class III facility and that generation in excess of its historical generation baseline is eligible to receive Class I RECs effective February 25, 2010.