

## CLOSING STATEMENT IN DE 10-195 ON BEHALF OF CPD

Clean Power Development urges the Commission to expedite its consideration of the issues presented in this process and come to a decision so that clarity can be established for all parties interested in this docket. CPD has worked in the community for four years and has seen firsthand the support that exists for this project. CPD must await a decision in this docket prior to further analysis on the status of other projects within its development portfolio and prior to establishing a strategy toward the development of new projects. CPD believes that the handling of the numerous issues and concerns involved in crafting such a legal document by PSNH has been undertaken with balance for the concern of rate payers as well as the needs of the developer.

CPD believes that if the Commission approved a revised PPA agreement with substantial modifications like those recommended by the PUC Staff, the result could be that this project may not be financially strong enough to move forward. As Mr. Long's testimony shows, in order for a merchant developer to obtain project financing, the investment banking community needs certainty regarding revenues over a period of years. Adjustments to the PPA like those recommended by Staff and some other parties create risk that the project would not be financeable and therefore not built.

The economic development benefits associated with the Laidlaw Project are overwhelming and not in issue. And the Staff of the PUC has made it clear that the Commission should authorize a PPA for the Laidlaw Project that would make the Project financeable.

The prices to be paid by PSNH under the proposed PPA are very similar to the prices proposed by CPD to PSNH, if the credits for thermal sales to the now defunct Frasier-Gorham paper mill are removed. Accordingly, the prices contained in the PPA proposed by PSNH for the Laidlaw project appear to be in line with the prices that would be necessary for any biomass plant to be built in New Hampshire.

Although the prices to be paid by PSNH are greater than the current market price of electricity, if natural gas prices return to the levels they were at just 2 ½ years ago, the prices under the PPA will become less than the prevailing market price of electricity. No one knows exactly how long will take for natural gas prices to return to their previous levels, but they are very likely return to 2008 levels at some point.

In any event, the Cumulative Reduction factor will very likely zero out any above-market payments made by PSNH over the term of the PPA. A well-built biomass plant such as the one proposed by Laidlaw is very likely to have a substantial residual value after the 20-year term of the PPA.

CPD believes that the Commission has heard the relevant testimony and seen sufficient evidence to rule on the merits. CPD feels that the Commission can find that this project should be granted a PPA as it is in the public interest.

[end]