

La Capra Associates

February 24⁷, 2012

Ms. Debra Howland
Executive Director and Secretary
State of New Hampshire
Public Utilities Commission
21 S. Fruit St, Suite 10
Concord, NH 03301-2429



RE: **DE 12-014** Washington Electric Cooperative Inc.'s Application for Coventry Clean Energy Certification for Class III New Hampshire Renewable Energy Certificates Pursuant to RSA 362-F Request for Additional Information Letter Dated February 17, 2012

Dear Ms. Howland:

Per your letter dated February 17, 2012 you requested additional information relative to the Coventry Clean Energy power plants application for consideration of Class III New Hampshire Renewable Energy Certificates.

Please note that Washington Electric Cooperative (WEC) filed two separate and distinct applications for the Commission's consideration for two differing resources that happen to reside at the same physical address. One application was for Class III consideration (which is the subject matter of DE 12-014 and corresponds to ISO-NE asset identification number 10801). The second application was for **Class I** consideration (which corresponds to ISO-NE asset identification number 12323 and DE 12-015 and is addressed under a separate letter).¹

We seek by way of this letter to clear up any confusion and assist the New Hampshire PUC staff in its analysis and review of WEC's filing. If a discussion by phone will help, we are happy to discuss any questions you may have. My direct line is 802-861-1617.

It may be helpful to explain the construction of the power facilities at the site. The project was developed modularly or in phases. Therefore, the attachments that were filed by WEC letter dated January 10, 2012 may have multiple references to the amount of power that is able to be generated at the site. The initial construction of Coventry occurred in 2004 and 2005, with a commercial start date of July 1, 2005 for 4.8 MW of generation capacity fueled solely by methane gas from the Coventry Landfill tie. This phase of the project has an ISO-NE Asset Identification number of 10801. WEC is filing for **Class III** New Hampshire Renewable Energy

¹ From the NH PUC's 2/17/2012 letter we are surmising that the Commission has assigned DE 12-014 to the generation associated with WEC's application for ISO-NE Asset Identification number of 10801.

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Certificates for this phase of the project or for 4.8 MW's as this amount of power came on line prior to 2006.²

Subsequently, Washington Electric Cooperative added a fourth and then a fifth generating engine to the Coventry facility site in Coventry, Vermont. The fourth engine provided an additional 1.6 MW of generation and that came online on January 1, 2007. The fifth engine, also sized at 1.6 MW of incremental generation, came online on June 1, 2009. The fourth and fifth engines have a **separate** ISO-NE Asset Identification number of 12323, and therefore are measure separately from engines 1, 2 and 3. Since engines four and five were installed after 2006, WEC is applying for **Class I** New Hampshire Renewable Energy Certificates for power provided from engines four and five. As previously stated, the output from these facilities is measure separately through the ISO-NE asset identification 12323 (the NH REC application for ISO-NE asset identification 12323 is addressed in a separate letter with the reference of DE-015).

1. 4.8 MW Nameplate Rating

In the New Hampshire PUC's letter of February 17, 2012 paragraph numbered 1, it references information that WEC submitted in its application to question #13 of the application which is a description of the facility and nameplate rating of the project. Staff indicated that WEC listed the capacity as 4.5 MW. In looking at the filing WEC made on January 10, 2012, it lists the capacity as 4.8 MW, and therefore staff's reference to 4.5 MW maybe a misinterpretation. I have attached the original filing material and highlighted in yellow the 4.8 MW reference that WEC filed on January 10, 2012.

Staff also reference the testimony of Dean La Forest in which he discusses 4 MW to be delivered to the VELCO system. It is important to note that Mr. La Forest's testimony addresses the **transmission system** and not the nameplate ratings of the power generating units themselves. Transmission designs for power plants are normally analyzed using an estimated delivered power volume rather than to scale it up to the full nameplate rating of the facility. The system impact study performed in 2004 by VELCO staff was limited to the estimated needed transfer capability for transmission after netting off parasitic loads at the station, losses, and deratings to the generators due operational considerations and gas levels. Hence, while the nameplate of the units is in fact 4.8 MW, the transmission line and interconnection to the VELCO system for the first 3 engines was only for 4.0 MW. The transmission analysis uses estimated delivery over the transmission line after parasitic loads, losses and other deratings to the system are taken into account. However, it should also be noted after 2005 the line and interconnection was resized to accommodate 8.0 MW and therefore, there are no limitations to the transmission system's ability to delivery power from the site.

Staff in its February 17, 2012 letter also mentioned the Rhode Island and Massachusetts RPS qualifications letters and the fact that there are varying volumes of MW's approved. The varying volume is due to differing state RPS laws. In Rhode Island, WEC applied for 4.8 MW for output from ISO-NE asset identification number 10801 which included the initial three engines that WEC constructed at the site. WEC is making a similar filing to the New Hampshire PUC for

² Our understanding is landfill generation that came on line prior to 2006 is eligible for application for Class III consideration.

Class III consideration for output from the initial three engines covered by ISO-NE asset identification number 10801 due to the New Hampshire law that splits resources between Class III and Class I. WEC's first 3 engines qualify for consideration in New Hampshire for Class III while the 4th and 5th engines qualify for consideration in the Class I market. In Massachusetts WEC was able to apply for engines 1, 2, 3, and 4 as one filing. The difference here is dictated by differing state RPS rules.

The key take away is that WEC is only applying for 4.8 MW of nameplate rating for Class III in New Hampshire. Incremental output from the project is covered in DE-015 and will be discussed separately.

2. Interconnection Agreement

Washington Electric Cooperative owns the 7.2 miles of transmission line that connects from the generation facility and that ultimately interconnects with the VELCO (aka VT Transco) transmission system in Irasburg, Vermont. The interconnection of that line with VELCO was approved as a joint filing in the Certificate of Public Good (CPG) which was issued by the Vermont Public Service Board on June 4, 2004. A copy of the CPG is attached to this letter for your review. The interconnection agreement between WEC and VELCO is covered through the 1991 Vermont Transmission Agreement ('91 VTA). WEC is a partial owner of VELCO, and therefore, its interconnections to VELCO are covered through the '91 VTA rather than a standalone interconnection agreement. A copy of the '91 VTA is provided to this document per your request.

3. Regulatory Approvals

The state of Vermont permits power plants through the Vermont Statutes Annotated, Title 30 Section 248. The Coventry project (comprised of engines 1, 2 and 3) was issued a Certificate of Public Good on June 4, 2004 in Docket 6925. Through the Vermont permit process in Section 248, all environmental permits were received and WEC was issued approval to construct and operate the facility in the state of Vermont. In addition to the information that was sent to you in the original application we are providing you copies of the CPG permit and the associated environmental permits that were required for construction. You will find the following documents available for your review to confirm that WEC has the necessary environmental permits:

- 2004 Certificate of Public Good
- Decision and Order from the hearing officer
- Subsequent order regarding construction prior to the acquisition of the Act 250 permit.
- Enclosed are permits that were required to be filed subsequent to the VT PSB's issuance of the CPG. Included are the Act250 permit for New England Waste Services of Vermont that was the condition of the original order for WEC to construct the power plant.

You will find that a review of the documents confirms that, WEC must file permits with the Vermont PSB and by issuing the CPG the board verifies that WEC in fact has its approvals to move ahead.

We hope this fulfills your supplemental data request relative to WEC's application in DE 12-014. In the event you wish to discuss any of the items filed or seek clarity on any issues I can be reached by phone at 802-861-1617.

Best regards,

A handwritten signature in black ink, appearing to read 'Patricia Richards', with a stylized flourish at the end.

Patricia Richards
Senior Consultant

Contact Information

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