

STATE OF NEW HAMPSHIRE

Inter-Department Communication

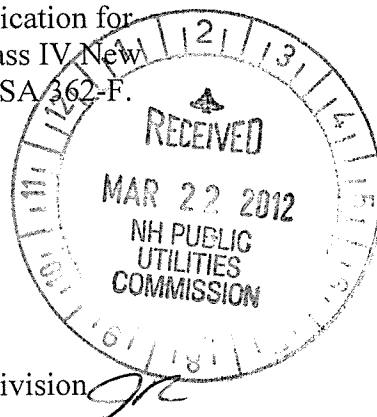
DATE: March 22, 2012
AT (OFFICE): NHPUC

FROM: Barbara Bernstein *BB*
Sustainable Energy Analyst

SUBJECT: **DE 12-049**, KEI (USA) Power Management, Inc.'s Application for Browns Mill Hydroelectric Project's Certification for Class IV New Hampshire Renewable Energy Certificates Pursuant to RSA 362-F.
Staff Recommends that Eligibility be Granted.

TO: Chairman Amy L. Ignatius
Commissioner Robert R. Scott
Commissioner Michael Harrington
Debra A. Howland, Executive Director and Secretary

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



Summary

Staff has reviewed the application for KEI (USA) Power Management, Inc.'s (KEI), Browns Mill Hydroelectric Project's (Browns Mill Project) and has determined that it meets the eligibility requirements under RSA 362-F:4, as a Class IV facility and complies with the New Hampshire Code of Administrative Rules Puc 2505.02. Staff recommends Commission approval for the Browns Mill Project as eligible for Class IV Renewable Energy Certificates (RECs) effective February 23, 2012.

Analysis

On February 23, 2012, the PUC received an application requesting that the Browns Mill Project's 0.67 megawatts (MW) of electrical production be granted eligibility for Class IV RECs. Upon review Staff has determined that the application which includes confidential information is complete as of February 23, 2012.

To qualify the Browns Mill Project's electrical production as eligible to acquire Class IV renewable energy certificates (RECs), Puc 2505.02 (b) requires the source to demonstrate its eligibility by completing the following:

- 1) *The name and address of the applicant:* The applicant is KEI (Maine) Power Management (II) LLC, KEI (USA) Power Management, Inc., 3285 chemin Bedford, Montreal, Quebec, Canada, H3S 1G5.

- 2) *The name and location of the facility:* Browns Mill Hydroelectric Project, (FERC No. 5613), 109 Vaughn Street, Dover-Foxcroft, ME 04426.
- 3) *The ISO-New England asset identification number (if available).* The ISO-New England asset identification number is ISO-NE#: 2281.
- 4) *The GIS facility code if available.* The NEPOOL GIS facility code has been verified as MSS 2281.
- 5) *A description of the facility including fuel type, gross nameplate generation capacity, the initial commercial operation date, and the date it began operation, if different.* The Browns Mill Project is a run-of-river hydroelectric generating facility on the Piscataquis River with a nameplate capacity of 0.67 MW. The Browns Mill Project was built in 1867 and consists of a 22 foot dam, a four acre reservoir, two canals, a powerhouse containing Synchronous generators and two vertical Francis turbines; and as required by the Atlantic Sea Run Salmon Commission (ASRC), diadromous fish ladders.
7. ¹ *All other necessary regulatory approvals, including any reviews, approvals or permits granted by the department.* The Browns Mill Project has been approved by the Federal Energy Regulatory Commission, Project # 5613, the United States Fish and Wildlife Service, and the ASRC.
8. *Proof that the applicant either 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.* A Small Generator Interconnection Agreement between Central Maine Power Company (CMP) and Brown's Mill Hydro (dated January 1, 2009) has been provided as a confidential document.²
10. ³ *A description of how the generation facility is connected to the distribution utility.* Electric power is delivered from the interconnection of the Project's 12 kv cable to CMP's 12 kV distribution circuit tap located on CMP's distribution circuit.
11. *A statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standard and proof thereof.* The Browns Mill Project currently qualifies as a Class II renewable energy source in the State of Connecticut and as a Class II renewable energy source in the State of Maine.
12. *A statement as to whether the facility's output has been verified by ISO New England.* Certificate information from NEPOOLGIS verifies the Browns Mill Project output as does the Small Generator Interconnection Agreement between Central Maine Power Company (CMP) and Brown's Mill Hydro.

¹ Puc 2502.02(b)(6) relates to biomass sources.

² This document contains critical energy infrastructure information and has been deemed confidential.

³ Puc 2502.02(b)(9) relates to biomass sources.

14. ⁴*An affidavit by the owner attesting to the accuracy of the contents of the application.* An affidavit signed by Guy J. Paquette, Vice President – Corporate and Legal Affairs of KEI (Maine) Power Management, Black Bear Hydro, was provided with the application as Attachment 5.⁵⁶

In addition, pursuant to Puc 2502.10, to qualify as a Class IV source, the hydroelectric generation facility must have begun operation on or before January 1, 2006 and have a gross nameplate capacity of 5 MW or less. The Browns Mill Project was built in 1867 and produces 0.67 MW of electricity. In addition, qualifying Class IV facilities must have installed FERC-required and approved upstream and downstream diadromous fish passages. The Browns Mill Project has FERC licensed diadromous fish passages.

Recommendation

Staff has reviewed the Browns Mill Project facility's application for certification of the facility's 0.67 MW of electricity and can affirm it is complete pursuant to N. H. Code Admin. Rule Puc 2500. Staff recommends that the Commission certify the Browns Mill Project's electricity production as being eligible for Class IV RECs effective February 23, 2012, the date on which Staff was able to make a determination that the facility met the requirements for certification as a Class IV renewable energy source.

⁴ Puc 2502.02(b)(13) requires a description of how the facility's output is reported to the GIS if not verified by ISO New England. ISO New England has verified the facility's output.

⁵ Puc 2502.02(b)(15) requires the name and telephone number of the facility owner if different from the owner. The facility owner is the operator.

⁶ Puc 2502.02(b)(16) provides for other information the applicant wishes to provide to assist in classification of the generating facility. KEI provided confidential documentation that describes their project.

