

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: September 15, 2016

AT (OFFICE): NHPUC

FROM: Elizabeth R. Nixon, Energy Analyst

NHPUC 15SEP16PM3:42

SUBJECT: DM 12-075, Electricity N.H., LLC - 2015 RPS Compliance
Waiver of Puc 2503.05(c)(2)

TO: Martin P. Honigberg, Chairman
Robert R. Scott, Commissioner
Kathryn M. Bailey, Commissioner
Debra A. Howland, Executive Director

CC: Karen Cramton, Director, Sustainable Energy Division
David K. Wiesner, Staff Attorney

On June 29, 2016, Electricity N.H., LLC d/b/a E.N.H. Power (ENH) filed its Renewable Portfolio Standard (RPS) compliance report for 2015. In this report, ENH showed that it had retired 27,823 Class I (vintage 2015) Renewable Energy Certificates (RECs) and 2,451 Class III (vintage 2015) for compliance with the 2015 RPS obligation. In addition, ENH claimed that it had 3,116 Class I (vintage 2015) RECs and 151 Class III (vintage 2015) RECs to bank for future use. ENH retired 26,269 Class I RECs and 2,442 Class III RECs in its NEPOOL Generation Information System (GIS) retail subaccount, but it retired 1,554 Class I RECs and 9 Class III RECs in a GIS reserve account instead of in the retail subaccount. RECs retired in the retail subaccount are shown in the GIS "My Settled Certificates Disposition" report, but RECs retired in the reserve account are not shown in this GIS report.

In a letter received on September 12, 2016, ENH requested a waiver of Puc 2503.05(c)(2) to allow the 1,554 Class I RECs and 9 Class III RECs retired in the reserve account to be banked for future compliance use in New Hampshire, even though these RECs are not shown as retired in the GIS "My Settled Certificate Disposition" report because they were not retired in the retail subaccount.

Puc 2503.05(c) permits a provider of electricity to bank RECs for future use, subject to certain specified conditions:

(c) An owner of certificates may bank unused certificates by filing with the commission the following:

(1) By July 1 of each year, information regarding the total amount of excess certificates by class to be banked for future compliance years; and

(2) By July 31 of each year, the report titled "My Settled Certificates Disposition," issued by GIS to the owner indicating the total number of certificates owned and settled for the prior year.

In its RPS compliance report filed on June 29, 2016, ENH indicated the amount of excess RECs to be banked; however, not all of these RECs were retired in the retail subaccount and therefore were not shown in the GIS "My Settled Certificates Disposition" report. Staff confirmed with the GIS administrator that ENH's 1,554 Class I RECs and 9 Class III RECs that were retired in the reserve account have not been used in another state or other jurisdiction.

Based on the alternative compliance payment (ACP) rates applicable for compliance year 2015, the estimated value of the reserve account RECs is approximately \$87,000.

Pursuant to Puc 201.05(a) and (b), the Commission shall waive its rules if it finds the following:

*(a)(1) The waiver serves the public interest; and
(2) The waiver will not disrupt the orderly and efficient resolution of matters before the commission.*

*(b) In determining the public interest, the commission shall waive a rule if:
(1) Compliance with the rule would be onerous or inapplicable given the circumstances of the affected person; or
(2) The purpose of the rule would be satisfied by an alternative method proposed.*

Please note that the Commission granted a one-time waiver in 2015 for a similar request from ENH. Nonetheless, Staff recommends that the Commission grant another one-time waiver of Puc 2503.05(c)(2) so that ENH may bank its 1,554 Class I (vintage 2015) RECs and 9 Class III (vintage 2015) RECs, because ENH has satisfied the "purpose of the rule...by an alternative method," and compliance with this rule may be onerous given that the estimated impact is approximately \$87,000. ENH retired those RECs in the GIS reserve account and has not used them in another state or jurisdiction, so its banking of the RECs is appropriate and serves the purpose of the RPS program.

Staff also recommends that the Commission indicate that future similar requests from ENH may not be granted, because ENH has shown in its recent filing that it knows how to retire RECs in its retail subaccount, including RECs that it plans to bank for future use. Given that ENH knows how to retire the RECs correctly, dealing with repeated rule waiver requests would be an administrative burden for Staff and the Commission, and may "disrupt the orderly and efficient resolution of matters" before the Commission.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**

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- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**