

General Affidavit under Oath

I, Scott Henningham (“Declarant”), Chief Financial Officer (position) of, Innovative Fulton, LLC., incorporated in the State of Delaware, do hereby certify, swear or affirm, and declare that I am competent to give the following declaration. I have reviewed each section of the Fulton Landfill Gas Facility application and based on my personal knowledge hereby state the facts contained within the New Hampshire facility application for certificate acquisition submitted on my behalf are true and correct to the best of my knowledge.

WITNESS my signature this 4th day of November/2009 (month/year).

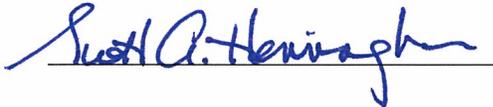

Signature of Declarant

Certification of Authorized Representative

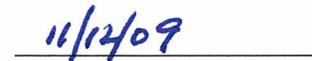
October 20, 2009
Debra A. Howland
Executive Director & Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

I, Scott Henningham, Chief Financial Officer of Innovative Energy Systems, LLC., certify that Patricia Stanton, the Vice President of Clean Energy Markets of Conservation Services Group, Inc. is authorized to execute and submit the New Hampshire Electric Renewable Portfolio Standard Application for the Fulton Landfill Gas Facility, pursuant to Chapter PUC 2500.

Signature:



Date:



THE STATE of NEW HAMPSHIRE

Public Utilities Commission

*Facility Application to qualify for certificate acquisition under PUC
2500 of the New Hampshire Electric Renewable Portfolio Standard*

SECTION I: IDENTIFICATION INFORMATION

(1). Name and Address of Applicant:

Conservation Services Group
40 Washington Street
Patricia Stanton, Vice President Clean Energy Market
Phone: 508-836-9500
Fax: 508-836-3181
Email: pat.stanton@csg.com

(2). Name of Facility Owner:

Innovative Fulton, LLC.
2999 Judge Road, Oakfield, NY 14125
Scott Henningham, CFO
Phone: 585-948-8580
Fax: 585-948-8584
Email: shenningham@ieslfge.com

(3). Name and Location of the applying Facility:

Fulton, 847 Mud Rd., Johnstown, NY 12095

(4). ISO-New England Asset Identification number:

yet to be assigned

SECTION II: FACILITY AND FUEL DESCRIPTION

(1). Fuel Type:

Landfill Gas

Gross Nameplate Generation Capacity:

3.2 MW

Initial Commercial Operation date:

Estimated January 2010

Actual Facility Operation date, if different from Initial Commercial Operation date:

(2) If a Biomass source provide –

NOx and particulate matter emission rates:

Description of pollution control equipment:

Or proposed practices for compliance with such requirements:

(3) Description of how the generation facility is connected to the distribution utility:

The Interconnection distribution company, National Grid located at 144 Kensington Ave
Buffalo, NY 14214

(4) Is the Facility's output verified by ISO-New England? If not explain how the output is verified:

Yes

(5) Description of how the facility's output is reported to the GIS **if not** verified by ISO-New England:

SECTION III: CERTIFICATIONS

(1). List all other non-federal jurisdiction's renewable portfolio standards the facility has been certified under, if any, **AND** attach proof thereof:

Currently Fulton is eligible under the Maine RPS

SECTION IV: REGULATORY COMPLIANCE DOCUMENTATION

(1). List all applicable regulatory approvals, including any reviews or permits required by the New Hampshire department of environmental services:

Facility	Permit	Approval/ Permit Issued	Permit Description
Fulton	Title V	10/29/2008	Air permit
Fulton	SEQR Short Environmental Assessment Form Revision 1 and Negative Declaration	08/25/2008	The DEC as lead agency, determined that the LFGTE facility will not have a significant environmental impact

- (2). Confirm whether applicant has an approved interconnection study on file with the commission **or** is a party to a current effective interconnection agreement, **or** is otherwise not required to undertake an interconnection study (explain):

Pending finalization with NYISO and National Grid

- (3) **If** a biomass facility, has a copy of the completed application been filed with the New Hampshire department of environmental services (please attach documentation). (Check either “Yes” or “No”)

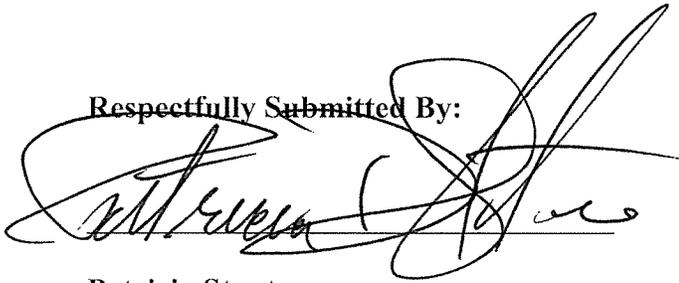
YES

NO

SECTION V: ADDITIONAL INFORMATION

The Applicant may choose to provide in the space provided or through attached document(s), additional information to assist in classification of the generating facility. If document(s) are attached, provide a descriptive list below:

Respectfully Submitted By:



Patricia Stanton
Conservation Services Group

SECTION VI: APPLICATION DOCUMENTATION CHECKLIST

- Approved interconnection documentation on file with the commission or an agreement or statement and proof of exemption is attached.
- Attached is an affidavit signed and executed by the owner attesting to the accuracy of the contents of this application.

**APPENDIX 8 to SGIP
FACILITIES STUDY AGREEMENT
FULTON COUNTY LANDFILL**

THIS AGREEMENT is made and entered into this ____ day of _____ 2008 by and among Innovative Energy Systems Inc., a company organized and existing under the laws of the State of New York, (“Interconnection Customer,”) the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (“NYISO”) and Niagara Mohawk Power Corporation d/b/a National Grid,, a corporation existing under the laws of the State of New York (“Transmission Owner”). Interconnection Customer, NYISO and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on April 17, 2007; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the **New York State Transmission System**;

WHEREAS, the NYISO has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the NYISO to perform, or cause to be performed, a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to physically and electrically connect the Small Generating Facility with the **New York State Transmission System**.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in Section 1.1.2 of the SGIP.
- 2.0 The Interconnection Customer elects and the NYISO shall cause a facilities study to be performed in accordance with the requirements of Attachment Z of the NYISO Open Access Transmission Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement and shall be made an exhibit thereto.

- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s) and to complete any additional power flow and similar analysis that may be appropriate. The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Owner's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.
- 5.0 The Transmission Owner may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities in accordance with the SGIP.
- 6.0 The Interconnection Customer shall provide to the NYISO [a deposit or other commercially reasonable security in an amount equal to the good faith estimated facilities study costs.
- 7.0 Except to the extent required by the NYISO OATT Attachment S cost allocation process, in cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Any Transmission Owner and NYISO study costs shall be based on their actual costs, including applicable taxes, and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

10.0 The Interconnection Customer shall pay all invoice amounts in excess of the deposit or other security without interest within 30 calendar days after receipt of the invoice. If the deposit or other cash security exceeds the invoiced fees, the NYISO shall refund such excess within 30 calendar days of the invoice without interest. If the Interconnection Customer disputes an amount to be paid the Interconnection Customer shall pay the disputed amount to the NYISO or into an interest bearing escrow account, pending resolution of the dispute in accordance with Section 4.2 of the SGIP. To the extent the dispute is resolved in the Interconnection Customer's favor, that portion of the disputed amount will be returned to the Interconnection Customer with interest at rates applicable to refunds under the Commission's regulations. To the extent the dispute is resolved in the NYISO's favor, that portion of any escrowed funds and interest will be released to the NYISO. The Transmission Owner and the NYISO shall not be obligated to perform or continue to perform any Interconnection Study work for the Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.

11.0 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of New York, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by the Parties.

13.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

14.0 Waiver

14.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

14.2 Any waiver at any time by a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the NYISO. Any waiver of this Agreement shall, if requested, be provided in writing.

15.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

16.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

17.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

18.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.

18.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the NYISO or the Transmission Owner be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

18.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

19.0 Reservation of Rights. Nothing in this Agreement shall alter the right of the NYISO or Transmission Owner to make unilateral filings with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under Section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder which rights are expressly reserved herein, and the existing rights of Interconnection Customer to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations are also expressly reserved herein; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

New York Independent System Operator, Inc.

Signed: _____

Name (Printed): Henry Chao

Title: Director, System & Resource Planning Department

Date: _____

Niagara Mohawk Power Corporation d/b/a National Grid

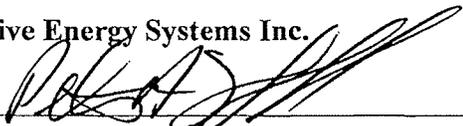
Signed: _____

Name (Printed): _____

Title: _____

Date: _____

Innovative Energy Systems Inc.

Signed:  _____

Name (Printed): Peter H. Zelif, Sr.

Title: President & CEO

Date: 8/5/08

Exhibit 1:

**SCHEDULE FOR CONDUCTING THE
INTERCONNECTION FACILITIES STUDY**

The NYISO and Transmission Owner shall use Reasonable Efforts to complete the study and issue an Interconnection Facilities Study report to the Developer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- scheduled completion date for Class Year 2009 Interconnection Facility Study for the Annual Transmission Reliability Assessment required by Attachment S to the NYISO OATT: 12/31/09.
- Scheduled completion date of non-ATRA portion of the Facilities Study: ~~{TO input}~~
- Study work (other than data provision and study review) that may be requested of the Transmission Owner by the NYISO is currently not specified, but will be specified in a Study Work Agreement to be developed between the NYISO and the Transmission Owner.
- Pursuant to Article 5.0 of this Agreement, the rates for study work are attached as Exhibit 1.

Exhibit 2:

Study Costs

Below are the rates applicable for any work that is conducted by the NYISO and Transmission Owners for the Class Year 2009 Interconnection Facilities Study. All of the rates specified below are subject to adjustment. This list is intended to include all Transmission Owners that may be a connecting Transmission Owner for a project in Class Year 2009. Under Section 13.3 of Attachment X of the NYISO's Open Access Transmission Tariff, all projects in Class Year 2009 must pay an equal share of all the NYISO's and Transmission Owners' actual costs incurred performing the Class Year 2009 Interconnection Facilities Study.

New York State Electric and Gas Corporation

Labor	\$75-\$200/hour
<u>Overhead</u>	
Payroll	13.69% of total labor costs
Transportation	16.59% of total labor costs
Occupancy/Asset	19.9% of total labor costs

The above rates for labor services are estimates and do not represent an exhaustive list of charges.

Niagara Mohawk Power Corporation d/b/a National Grid

Technical Services and/or Management Services \$75.00/hr. to \$175.00/hr.

These costs are in effect for the period April 2008 through and including December 2008. To the extent National Grid's performance of services extend beyond December 2008, the costs are subject to update. Costs do not include any applicable sales tax.

Consolidated Edison Company of New York, Inc.

Transmission Planning	\$85.80/hour
Central Engineering	\$77.65/hour

New York Power Authority

\$78.22/hour

LIPA

\$200/hour

NYISO

VP/Director \$300.00/hr.
All others \$175.00/hr.

These rates are for work performed by the NYISO during 2008. The rates for work performed after December 31, 2008 are subject to adjustment.

**Attachment A to
Facilities Study Agreement**

**Data to Be Provided by the Interconnection Customer
with the Facilities Study Agreement**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections: 1

Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes No X

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes No X
(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

GE Fanuc

What protocol does the control system or PLC use?

Versamax

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Bus length from generation to interconnection station:

60 ft.

Physical dimensions of the proposed interconnection station:

41' x 55'

Line length from interconnection station to Transmission Owner's transmission line.

60 ft

Tower number observed in the field. (Painted on tower leg)*:

Number of third party easements required for transmission lines*:

0

* To be completed in coordination with Transmission Owner.

Is the Small Generating Facility located in Spring 2009 in Owner's service area?

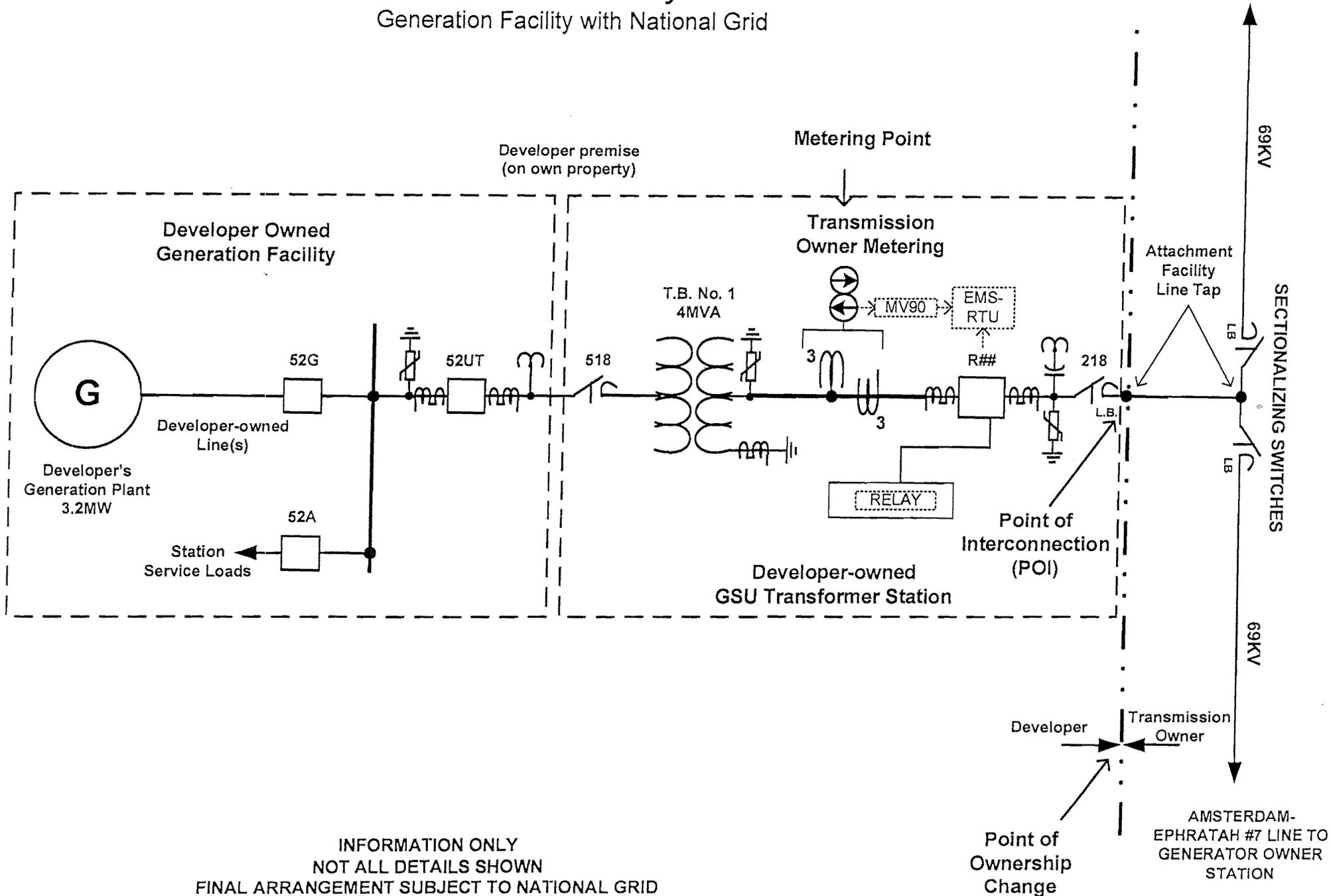
Yes No If No, please provide name of local provider:

Please provide the following proposed schedule dates:

Begin Construction	Date: <u>October 2008</u>
Generator step-up transformers receive back feed power	Date: <u>Spring 2009</u>
Generation Testing	Date: <u>Spring 2009</u>
Commercial Operation	Date: <u>Spring 2009</u>

Typical 69KV Single Tap Interconnection System

Generation Facility with National Grid



INFORMATION ONLY
 NOT ALL DETAILS SHOWN
 FINAL ARRANGEMENT SUBJECT TO NATIONAL GRID
 DETAILED FACILITY STUDY

April 6, 2009

INNOVATIVE ENERGY SYSTEMS, INC.
Request for Certification for RPS Eligibility

ORDER GRANTING NEW
RENEWABLE RESOURCE
CERTIFICATION

REISHUS, Chairman; VAFIADES and CASHMAN, Commissioners

I. SUMMARY

The Fulton Landfill Gas Facility (Fulton) is certified as a Class I new renewable resource that is eligible to satisfy Maine's new renewable resource portfolio requirement pursuant to Chapter 311, § 3(B) of the Commission rules.

II. BACKGROUND

A. New Renewable Resource Portfolio Requirement

During its 2007 session, the Legislature enacted an Act To Stimulate Demand for Renewable Energy (Act). P.L. 2007, ch. 403 (codified at 35-A M.R.S.A. § 3210(3-A)). The Act added a mandate that specified percentages of electricity that supply Maine's consumers come from "new" renewable resources.¹ Generally, new renewable resources are renewable facilities that have an in-service date, resumed operation or were refurbished after September 1, 2005. The percentage requirement starts at one percent in 2008 and increases in annual one percent increments to ten percent in 2017, unless the Commission suspends the requirement pursuant to the provisions of the Act.

As required by the Act, the Commission modified its portfolio requirement rule (Chapter 311) to implement the "new" renewable resource requirement. *Order Adopting Rule and Statement of Factual and Policy Basis*, Docket No. 2007-391 (Oct. 22, 2007). The implementing rules designated the "new" renewable resource

¹ Maine's electric restructuring law, which became effective in March 2000, contained a portfolio requirement that mandated that at least 30% of the electricity to supply retail customers in the State come from eligible resources, which are either renewable or efficient resources. 35-A M.R.S.A. § 3210(3). The Act did not modify this 30% requirement.

requirement as “Class I”² and incorporated the resource type, capacity limit and the vintage requirements as specified in the Act. The rules thus state that a new renewable resource used to satisfy the Class I portfolio requirement must be of the following types:

- fuel cells;
- tidal power;
- solar arrays and installations;
- wind power installations;
- geothermal installations;
- hydroelectric generators that meet all state and federal fish passage requirement; or
- biomass generators, including generators fueled by landfill gas.

In addition, except for wind power installations, the generating resource must not have a nameplate capacity that exceeds 100 MW. Finally, the resource must satisfy one of four vintage requirements. These are:

- 1) renewable capacity with an in-service date after September 1, 2005;
- 2) renewable capacity that has been added to an existing facility after September 1, 2005;
- 3) renewable capacity that has not operated for two years or was not recognized as a capacity resource by the ISO-NE or the NMISA and has resumed operation or has been recognized by the ISO-NE or NMISA after September 1, 2005; or
- 4) renewable capacity that has been refurbished after September 1, 2005 and is operating beyond its useful life or employing an alternate technology that significantly increases the efficiency of the generation process.

The implementing rules (Chapter 311, § 3(B)(4)) establish a certification process that requires generators to pre-certify facilities as a new renewable resource under the requirements of the rule and provides for a Commission determination of resource eligibility on a case-by-case basis.³ The rule contains the information that must be included in a petition for certification and specifies that the Commission shall provide an opportunity for public comment if a petitioner seeks certification under

² The “new” renewable resource requirement was designated as Class I because the requirement is similar to portfolio requirements in other New England states that are referred to as “Class I.” Maine’s pre-existing “eligible” resource portfolio requirement is designated as Class II.

³ In the *Order Adopting Rule* at 6, the Commission noted that a request for certification can be made at any time so that a ruling can be obtained before a capital investment is made in a generation facility.

vintage categories 2, 3 and 4. Finally, the rule specifies that the Commission may revoke a certification if there is a material change in circumstance that renders the generation facility ineligible as a new renewable resource.

B. Petition for Certification

On February 27, 2009, Innovative Energy Systems (IES) filed a petition to certify the Fulton facility as a Class I renewable resource. The Fulton facility is a 1.6 MW landfill gas facility located in Johnstown, New York. The petition states that the Fulton facility is expected to come online in October 21, 2009.

III. DECISION

The Commission has delegated to the Director of Technical Analysis the authority to certify generation facilities as Class I new renewable resources pursuant to Chapter 311, § 3(B) of the Commission rules. *Delegation Order*, Docket No. 2008-184 (April 23, 2008). Based on the information provided by IES, I conclude that the Fulton facility satisfies the resource type, capacity limit and vintage requirements of the rule. The Fulton facility is fueled solely by landfill gas, its capacity is less than 100 MW, and it was constructed and will begin operations after September 1, 2005. Accordingly, the Fulton Landfill Gas Facility is hereby certified as a Class I new renewable resource that is eligible to satisfy Maine's new renewable resource portfolio requirement pursuant to Chapter 311, § 3 of the Commission rules.⁴ IES shall provide timely notice to the Commission of any material change in the operation of the facility from that described in the petition filed in this proceeding, including changes to the type of fuel used in the electricity generation process.

BY ORDER OF THE DIRECTOR OF TECHNICAL ANALYSIS

Faith Huntington

⁴ In the petition, IES asks that the facility be considered as eligible as of the date of the application. There are no provisions in Commission rules indicating a point in time in which eligibility becomes effective. Thus, all output from the facility regardless of when it was generated is eligible to satisfy Maine's new renewable resource portfolio requirement.