

THE STATE OF NEW HAMPSHIRE

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**PUBLIC UTILITIES COMMISSION**

21 S. Fruit Street, Suite 10  
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April 30, 2013

Andrew Hall  
Capital Power Corporation  
1200,401 – 9<sup>th</sup> Avenue SW  
Calgary, AB T2P-3C5

Re: Capital Power Corporation's Request for Recognition of Class IV Renewable Energy Certificates (RECs) Intended for Banking in Quarter Two 2012 for American Hydro-Upper Peterborough Hydro (DE 12-239) and American Hydro-Lower Peterborough Hydro (DE 12-240)

Dear Mr. Hall:

On April 29, 2013, the Commission received a letter from Capital Power Corporation, (Capital Power) requesting that the Commission accept eighty-eight (88) RECs from the unsettled account in the NEPOOL GIS that were generated by the American Hydro-Upper Peterborough (Upper Peterborough) and the American Hydro-Lower Peterborough (Lower Peterborough) hydroelectric facilities. The second quarter (Q2) transfer period closed before the RECs could be transferred to the correct account which allows for proper banking. Your letter states that there was a lack of understanding of how the NEPOOL GIS account carries forward the RECs from one quarter to the next. It was Capital Power's assumption that RECs generated in a calendar year would be automatically banked forward until sold or retired, once delivery was confirmed in the system. This caused the RECs to be retired towards the Residual Mix.

As a result of this error, production from the Upper Peterborough and Lower Peterborough facilities is not eligible for Renewable Energy Certificates (RECs) inasmuch as NEPOOL GIS operating rules do not provide for certificate adjustment when the account holder commits the error. According to NEPOOL GIS, the GIS in this instance and in other similar situations, has advised managers to contact the appropriate

state regulatory agency and request that the agency recognize the production as “RPS compliant” during the annual filing process. The Commission therefore, has the discretion to issue a secretarial letter approving the reinstatement of the RECs back into the Upper Peterborough and Lower Peterborough hydro facilities’ banked account to allow for these RECs to be transferred during the 2012 trading period.

Pursuant to RSA 362-F:6, the RPS program utilizes the GIS administered by ISO-New England and NEPOOL. Facility certification to produce New Hampshire RECs is assigned to the Commission pursuant to RSA 362-F:11. This authority is consistent with the GIS which, by design, relies on state agencies to certify REC-compliant facilities. The Commission certified the Upper Peterborough and Lower Peterborough hydro facilities as eligible to produce Class II RECs on July 27, 2012. The RECs in question are summarized on the following table:

Quarter	Month of Generation	NH Certification #	Unit ID	Unit Name	Fuel Type	Certificate Numbers	Number	NH Class
2	2012/Aug	NH-IV-12-052	MSS926	Upper Peterborough	Hydro	353122 – 1 to 20	20	IV
2	2012/Sept	NH-IV-12-052	MSS926	Upper Peterborough	Hydro	353123 – 1 to 31	31	IV
2	2012/Aug	NH-IV-12-053	MSS941	Lower Peterborough	Hydro	356972 – 1 to 17	17	IV
2	2012/Sept	NH-IV-12-053	MSS941	Lower Peterborough	Hydro	356973 – 1 to 20	20	IV

The Commission has determined that it is consistent with its statutory authority and GIS rules to recognize the Q2 production from Upper Peterborough and Lower Peterborough hydro facilities as eligible for Class II RECs, subject to the following conditions:

1. A notarized statement on company letterhead shall be made/signed by whomever is now the Authorized Representative of Capital Power., attesting that the GIS certificates listed in the statement have not otherwise been, nor will be, sold, retired, claimed, used, or represented as part of electrical energy output or sales, or used to satisfy obligations, in jurisdictions other than New Hampshire. Such statement must be accompanied by documentation that said individual has been duly authorized by Capital Power. to serve as its Authorized Representative.
2. The above notarized statement and a copy of this letter shall be provided to the Retail Electricity Supplier to which the certificates are transferred, and that Supplier shall submit a copy of the statement and this letter to the Commission as part of its 2012 RPS Class II annual compliance filing.

This decision regarding the aforementioned Q2 certificates shall not be regarded as establishing a precedent, and the Commission may deny any similar Capital Power requests for a waiver in the future. Attached please find a copy of the notice of this letter provided to the GIS administrator.

Sincerely,



Debra A. Howland  
Executive Director

cc: James Webb, Registry Administrator, APX Environmental Markets

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April 30, 2013

James Webb  
Registry Administrator  
APX Environmental Markets  
224 Airport Parkway, Suite 600  
San Jose, CA 95110

Re: Capital Power Corporation's Request for Recognition of Class IV Renewable Energy Certificates (RECs) Intended for Banking in Quarter Two 2012 for American Hydro-Upper Peterborough Hydro (DE 12-239) and American Hydro-Lower Peterborough Hydro (DE 12-240)

Dear Mr. Webb:

On April 29, 2013, the Commission received a letter from Andrew Hall, Capital Power Corporation (Capital Power) requesting that the Commission permit certain RECs generated from American Hydro-Upper Peterborough (Upper Peterborough) and American Hydro-Lower Peterborough (Lower Peterborough) hydroelectric facilities to be banked and made available for future trading periods. Mr. Hall's letter states that there was a lack of understanding of how the NEPOOL GIS account carries forward the RECs from one quarter to the next. It was Capital Power's assumption that RECs generated in a calendar year would be automatically banked forward until sold or retired, once delivery was confirmed in the system. Therefore, the RECs generated by the Upper Peterborough and Lower Peterborough hydro facilities were not entered into the GIS system prior to the end of the second quarter (Q2) trading periods. This caused the RECs to be retired towards the Residual Mix.

If generators fail to enter the required data before the deadline, the GIS locks out the generator from entering data relating to the relevant quarter and there is no mechanism for the RPS eligibility to be added back. To resolve this discrepancy, the Commission has issued a secretarial letter stating that even though the NEPOOL GIS does not display the American Hydro-Lower Peterborough (Lower Peterborough) hydroelectric facilities' August and September, 2012 RECs as NH RPS eligible, the NH PUC approves the reinstatement of these

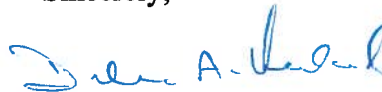
RECs back into their respective banked accounts so that they can be transferred again during the 2012 trading period.

The unsettled RECs in question are summarized on the following table:

Quarter	Month of Generation	NH Certification #	Unit ID	Unit Name	Fuel Type	Certificate Numbers	Number	NH Class
2	2012/Aug	NH-IV-12-052	MSS926	Upper Peterborough	Hydro	353122 – 1 to 20	20	IV
2	2012/Sept	NH-IV-12-052	MSS926	Upper Peterborough	Hydro	353123 – 1 to 31	31	IV
2	2012/Aug	NH-IV-12-053	MSS941	Lower Peterborough	Hydro	356972 – 1 to 17	17	IV
2	2012/Sept	NH-IV-12-053	MSS941	Lower Peterborough	Hydro	356973 – 1 to 20	20	IV

The Commission has reviewed Capital Power's request, supporting documentation and the GIS Operating Rules and determined that the above referenced Q2, 2012 RECs will be accepted for RPS compliance when the end user retires them at the end of the year.

Sincerely,



Debra A. Howland  
Executive Director

cc: Andrew Hall, Capital Power Corporation

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: DEBRA A HOWLAND  
EXEC DIRECTOR  
NHPUC  
21 S. FRUIT ST, SUITE 10  
CONCORD NH 03301-2429
- 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.