

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: April 21, 2014

AT (OFFICE): NHPUC

NHPUC 22APR14PM4:36

FROM: Barbara Bernstein *BB*
Sustainable Energy Analyst

SUBJECT: DE 14-071, Niagara Wind Power, LLC, Application for Certification of Steel Winds I as a REC Eligible Facility
Staff Recommends that Eligibility be Granted.

TO: Amy L. Ignatius, Chairman
Commissioner Robert R. Scott
Commissioner Martin P. Honigberg
Debra A. Howland, Executive Director and Secretary

CC: Jack K. Ruderman, Director of the Sustainable Energy Division *JKR*
David K. Wiesner, Staff Attorney

Summary

On March 13, 2014, the Commission received an application filed by First Wind Energy, LLC (First Wind). The applicant is requesting Class I New Hampshire Renewable Energy Certificate (REC) eligibility for the 20 megawatt (MW) Niagara Wind Power, LLC's (Niagara Wind) Steel Winds I - Wind Plant (Steel Winds I) pursuant to RSA 362-F:4, New Hampshire's Electric Renewable Portfolio Standard law.¹ The Commission, in a non-adjudicative process, is required to issue a determination of whether a facility meets a particular classification within 45 days of receipt of a completed application. The above-named facility meets the Class I eligibility requirements under RSA 362-F:4, I. Based on review of the application Staff recommends Commission approval for Steel Winds I as an eligible Class I facility, effective as of March 13, 2014, and quarterly verification and certification of its eligibility to produce Class I RECs.

Analysis

To qualify Steel Winds I's electrical production as eligible to acquire 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 application was filed by First Wind Energy, LLC, 179 Lincoln Street, Suite 500, Boston, MA for Niagara Wind Power, LLC, (Steel Winds I Wind Plant) an indirect subsidiary of First Wind

¹ Class I eligibility requires a facility to produce electricity from sources that began operation after January 1, 2006.

Holdings, LLC. The application was prepared by Carter Scott, compliance Administrator, First Wind Energy.

- 2.) *The name and location of the facility:* The name of the facility is Steel Winds I. The facility is located at 1951 Hamburg Turnpike, Lackawanna, New York.
- 3.) *The ISO-New England asset identification number (if available).* The ISO-New England asset identification number is not applicable for a facility located in New York.
- 4.) *The GIS facility code if available.* The NEPOOL GIS facility code is IMP 32625.
- 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 Steel Winds I project consists of eight Clipper Liberty 2.5 MW wind turbines operating at 0.690 kV. The output of these turbines is stepped up to 13.8 kV through individual pad mount 2.5MVA transformers. Two 13.8 kV feeders bring the combined power output of the turbines to a collection station transformer where the electric energy is stepped up to 115 kV prior to delivery to the generator interconnection point. The initial date of operation and the date of initial commercial operation for the 20 MW Steel Winds I project was June 1, 2007.
- 6.) *(N/A – pertains to biomass sources).*
- 7.) *All other necessary regulatory approvals, including any reviews, approvals or permits granted by the department.* Niagara Wind provided a copy of a Resolution of the City of Lackawanna Planning Board Pursuant to the State Environmental Quality Review Act Concerning the Determination of Significance for the Steel Winds Wind Farm. The Planning Board has broad authority over the Project with discretion to approve or disapprove site plans or to impose appropriate conditions including any conditions necessary to mitigate any potentially adverse environmental impacts associated with the project. In addition, the applicant provided two letters from Adam S. Walters, Phillips Lytle, LLP:
 - a. A letter dated September 9, 2005, stating that the City of Lackawanna Planning Board approved the site plan for the project and that the City Zoning Board of Appeals granted two variances for the project; and,
 - b. A letter dated September 15, 2005 stating that the Statute of Limitations for the Site Environmental Quality Review (SEQR) commenced on September 8, 2005.
- 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.* The applicant provided a copy of the Standard Small Generator Interconnection Agreement

Among the Niagara Mohawk Power Corporation d/b/a National Grid and Niagara Wind Power, LLC and Erie Wind, LLC dated as of December 20, 2010.

- 9.) *(N/A – pertains to biomass sources).*
- 10.) *A description of how the generation facility is connected to the distribution utility.* The point of interconnection for the Steel Winds I project is defined as the Bethlehem Steel 115kV bus on the Gardenville 149 and 150 lines.
- 11.) *A statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standard and proof thereof.* Steel Winds I has met the requirements for Class I certification as a new renewable resource from the Commonwealth of Massachusetts.
- 12.) *A statement as to whether the facility's output has been verified by ISO New England.* The Steel Winds I facility is located in New York, which is a synchronous control area adjacent to the New England control area. Therefore, the facility geographically qualifies to import power into the New England control area.²

Because the Steel Winds I facility is located in an adjacent control area, the applicant must provide proof that the electricity produced by the facility was settled within the New England control area to receive New Hampshire Class I RECs associated with that electricity. Pursuant to Puc 2504.01(a)(2), a facility in an adjacent control area may be eligible to produce renewable energy certificates provided that the electricity is delivered within the New England control area and is verified by submitting to the Commission the following:

- a) Documentation of a unit-specific bilateral contract that is executed between the source owner, operator, or authorized agent and an electric energy purchaser located within the New England control area;
- b) Proof of associated transmission rights for delivery of the source's electric energy to the New England control area;
- c) Documentation that the electrical energy delivered was settled in the ISO New England wholesale market system;
- d) Documentation that the source produced the amount of megawatt-hours claimed per hour, as verified by the GIS administrator; and,
- e) Confirmation that the electricity delivered received a North American Electric Reliability Corporation tag from the originating control area to the New England control area. If the originating control area utilizes a generation information system comparable to the GIS, this system may be used to support the documentation required in item d) of Puc 2504.01 (a)(2).

- 13.) *A description of how the facility's output is reported to the GIS if not verified by ISO New England.* The Steel Winds I facility is located in the New York ISO

² Pursuant to the NEPOOL GIS Operating Rules 2.7(c).

balancing authority control area. Energy can be wheeled into the New England control area via an ISO New England Market Participant and verified as required by Puc 2504.01(a)(2).

- 14.) *An affidavit by the owner attesting to the accuracy of the contents of the application.* An affidavit signed by Jennifer Lootens, Assistant Secretary, on behalf of Niagara Wind Power, LLC, was provided with the application.
- 15.) *The name and telephone number of the facility's operator, if different from the owner.* Carter Scott is the primary contact for First Wind Energy, LLC and Administrator for Niagara Wind Power, LLC (Steel Winds I); his telephone number is 617-960-2888.
- 16.) *Such other information as the applicant wishes to provide to assist in classification of the generating facility.* The application for Steel Winds I was complete as submitted.

Recommendation

Because Steel Winds I is geographically located within the New York ISO control area, certification of its eligibility for Class I RECs is a two-step process. The first step requires the Commission to certify that the facility meets the eligibility criteria for a Class I source. Staff has reviewed Steel Winds I's application for certification of the 20 MW of electrical production generated by the Steel Winds I wind project and can affirm it is complete pursuant to New Hampshire Code of Administrative Rules Puc 2500. Staff recommends that the Commission certify the Steel Winds I facility meets the eligibility criteria for certification as a Class I source, effective as of March 13, 2014, the date on which Staff was able to make this determination.

The second step is on-going. It requires Steel Winds I to verify that a unit-specific bilateral contract was in effect and that the electricity it produced for the prior quarter was actually settled within the ISO New England market system, as required by Puc 2504.01(a)(2). The nature of the documentation requires that Steel Winds I provide verification immediately following the end of each quarter for which Steel Winds I desires certification of its RECs.

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
EXECUTIVE 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.**