

GRANITE STATE HYDROPOWER ASSOCIATION, INC.

TWO COMMERCIAL STREET
BOSCAWEN, NEW HAMPSHIRE 03303

TELEPHONE: 603-753-4577
WEBSITE: www.granitestatehydro.org

February 23, 2015

Via Hand Delivery and Email

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

NHPUC FEB23'15 PM 2:41

**RE: DE 15-035, Electric Renewable Portfolio Standard, RSA 362-F:4, V and VI,
Adjustments to Renewable Class Requirements - Comments**

Dear Ms. Howland:

Enclosed are an original and six copies of the Comments of Granites State Hydro Association in the above referenced docket.

Sincerely,



Richard Norman
President

Enc.
cc: DE 15-035 Electronic Service List

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**RE: DE 15-035, Electric Renewable Portfolio Standard, RSA 362-F:4, V and VI,
Adjustments to Renewable Class Requirements - Comments**

Dear Ms. Howland:

On behalf of the Granite State Hydropower Association (“GSHA”), thank you for the opportunity to comment on Electricity NH, LLC d/b/a ENH Power’s (“ENH”) motion to expand the docket to include a review of Class I, II and IV resources and set the ACP for Class IV resources at zero. GSHA strongly opposes this motion and respectfully requests that the Commission deny this request.

GSHA is a voluntary, non-profit trade association for the small-scale, independent hydropower industry in New Hampshire. Members of GSHA own, operate and manage more than 60 hydroelectric facilities located in 46 towns and cities throughout the state, totaling more than 50 megawatts (“MWs”) of distributed generating capacity. GSHA members are part of New Hampshire’s small business community, with facilities that are 5 MWs or less and typically below 1 MW in size. More than 30 GSHA member projects are registered as Class IV resources. New Hampshire Class IV Renewable Energy Certificates (“RECs”) provide much needed financial support to the ongoing operation of small New Hampshire hydroelectric projects that comprise the membership of GSHA.

GSHA believes that the market is functioning as designed. At the end of 2014, 52 projects were registered as Class IV resources on the PUC’s website. More projects continue to be added, most recently with the 1 MW Jackson Mills project in Nashua filing for Class IV status this month.

ENH asserts in its motion that it went into the market in December 2014 and tried to locate available resources for all REC Classes (including Class IV RECs) at a price below ACP. ENH states there were no resources below ACP which means there were no resources available to purchase. GSHA is not aware of the process by which ENH sought to obtain Class IV RECs in December of 2014; however, other Load Serving Entities (“LSE”), such as

Eversource and Unitil, issue Requests for Proposals (“RFPs”) on a quarterly basis and use a competitive bidding process to procure RECs. Many GSHA members have successfully sold RECs through this RFP process. Further many GSHA members have reported selling their Class IV RECs earlier in the year, indicating that it may be in ENH’s best interests to seek Class IV RECs earlier in the calendar year using an RFP process similar to that used by other LSE’s.

With respect to the claim the Class IV REC market is illiquid, GSHA members report that in certain instances they have offered to sell Class IV RECs to LSEs, at an offered price slightly lower than the ACP, but the LSE rejected the offer explaining that the effort needed to purchase the RECs would cost more than simply paying the ACP. In a market comprised of willing buyers and sellers, terms may not be agreed upon at all times and a sale will not happen. It is important to consider that a LSE’s decision to pay the ACP is not necessarily a reflection of a lack of RECs being available; it simply may be a lack of a sales agreement being reached by the LSE and seller.

GSHA believes the Class IV market is operating efficiently and no change is needed at this time and respectfully requests that the Commission deny ENH’s motion to expand the docket and set the Class IV ACP to zero.

Sincerely,



Richard A. Norman
President