

ORIGINAL	
N.N. Case No.	DE 15-068
Exhibit No.	#4
Witness	August G. Fromuth
Doc. No.	FILE

12. Page 4 states that Fiske “is not compensated for any transmission or distribution costs avoided by Eversource as a result of Fiske’s injection of electricity at the tail-end of Eversource’s distribution system.” Are ISO-NE generator assets, such as Fiske, compensated for avoided T & D costs? Please describe the ISO-NE market tariff that provides compensation to distributed generators for avoided T & D costs.

Response: Pursuant to RSA 362-A:2-a, II, Eversource is required to transmit and deliver electrical energy from the Fiske’s facility to the FEL’s facility; however, pursuant to RSA 362-A:2-a, II, Fiske must compensate Eversource for all costs incurred in wheeling and delivering the purchased electricity to FEL.

Eversource does not charge any wheeling or transmission costs to Fiske in connection with the existing sale of the entire output of Fiske Hydro to Eversource for resale to ISO-NE. See ¶ 33, page 24 of Eversource Delivery Tariff. This, at a minimum, is an implicit recognition by Eversource that there are no costs incurred by Eversource associated with the delivery of the Fiske output to ISO-NE. Indeed, the present deal configuration whereby Fiske sells its entire output to Eversource, given its location on the Eversource system, arguably reduces loads and therefor the investments and expenses incurred by Eversource in the operation of its transmission and distribution system. A number of recent studies by independent third parties have found that the savings to the host utility create by intermittent source are in the range of 20 cents per kWh. Fiske, has not, at any time, been compensated for the transmission and distribution savings (avoided costs) that it has created for Eversource.

If Fiske were to sell some or all of its output to FEL instead of Eversource, there would be absolutely no change in the level of electrical load experienced at any point on the Eversource transmission and distribution system. (The laws of physics dictate that no electrons associated with the Fiske output will be physically delivered to FEL). Therefore, Eversource would incur no changes in its costs as a result of the sale by Fiske to FEL. Accordingly, there are no costs incurred in wheeling and delivering the purchased electricity to FEL and no compensation to Eversource is required by RSA 362-A:2-a, II.