

Berlin Station, LLC

Report Pursuant to the Public Utilities Commission Amended Order 26,331

DE 19-142

March 1, 2021



In its Amended Order 26,333 (February 18, 2020) approving the settlement agreement, the Public Utilities Commission (“Commission”) required Berlin Station, LLC (“Berlin Station” or “the plant”) to submit confidential cost and profitability information for calendar year 2020 within 60 days of the close of its fiscal year. *See* DE 19-142, *Public Service Company of New Hampshire-Rate Recovery of Costs in Excess of the Cumulative Reduction Cap Under the Power Purchase Agreement with Berlin Station LLC*, Amended Order (February 18, 2020) at 10 (“Amended Order”). Berlin Station’s fiscal year ended on December 31, 2020, and the plant submits this report in compliance with the Commission’s Amended Order.

Specifically, the Commission’s Order requires Berlin Station to submit:

- the facility’s annual capital costs;
- operating and maintenance costs;
- generation output (megawatt hours);
- revenues from the sale of renewable energy credits to Eversource and other load serving entities;
- Forward Capacity Market revenues;
- Energy Market revenues; and
- tax benefits received, including the value, start date and ending dates for the tax benefits.

See Amended Order at 10. Although the Commission authorized Berlin Station to submit the information subject to confidential treatment, for the purposes of full transparency, Berlin Station has chosen to make the information public.¹ Each of the elements specifically identified in the Commission’s Amended Order is addressed below.

Annual Capital Costs

For the purpose of this report, “annual capital costs” means non-regular maintenance and upkeep costs designed to extend the life of the facility and/or machinery, or new equipment with a useful life of at least 5 years after the expenditure. Two capital projects intended to further improve reliability were planned for execution in 2020; however, with the onset of the pandemic in March of 2020, the plant found it necessary to implement health and safety protocols to protect its essential personnel. This, in addition to supply chain issues and travel restrictions, forced the plant to redirect its resources to ensure both the safety of its staff and the proper functioning of the plant. As a result, these projects were placed on an indefinite hold. Preliminary engineering costs for those projects totaled \$65,000.

Operating and Maintenance Costs

Operating and Maintenance Costs totaled \$70,312,922 in 2020.

¹ Although Berlin Station had decided to make this information public, this is not a blanket waiver and applies only to the information reported herein. Berlin Station reserves the right to assert and maintain confidentiality with respect to other financial information the Commission may order it produce.

Generation Output in Megawatt Hours (MWh)

Generation is summarized below. Net generation was 518,653 MWh in 2020. Plant net generation was impacted by transmission curtailments by ISO-NE, which amounted to approximately 3% of all potential net generation.

Net Power Generation (MWh)	518,653
Availability	90.9%
Capacity	87.6%

Revenues from the Sale of Renewable Energy Credits

Revenues from the sale of Renewable Energy Credits (“RECs”) totaled \$27,255,741 in 2020. The price for the first 400,000 RECs sold to PSNH was fixed by the PPA. The remaining RECs were sold on the open market.

In July, Berlin Station made a payment of \$523,000 to the City of Berlin, as part of the REC revenue-sharing provision outlined in its payment-in-lieu-of-taxes (“PILOT”) agreement with the City.

Forward Capacity Market Revenues

Forward Capacity Market revenues totaled \$3,579,555 in 2020, with the price fixed by the terms of the PPA.

Energy Market Revenues

Energy Market revenues totaled \$38,429,259 in 2020, with the price fixed by the terms of the PPA.

Tax Benefits Received

Berlin Station received no tax benefits for the year 2020.

With respect to taxes paid, Berlin Station paid the following amounts for the year 2020:

- Utility Tax: \$203,202
- PILOT: \$1,300,000
- City of Berlin REC payment: \$523,704

In addition, Berlin Station paid water and sewer fees of \$954,472, which accounted for approximately 30 percent of the City of Berlin’s total annual water charges and 10 percent of the City’s total annual sewer fees.

Economic Contributions Made by Berlin Station

- The annual impact of Berlin Station in New Hampshire is 240 jobs (208 in Coos County), \$14.6 million in labor income, and \$69.1 million in output of goods and services.
- Berlin Station purchases over \$25 million in low-grade wood each year, supporting the forest product industry particularly in rural areas, and reducing the potential for forest fires.
- In 2019, this economic activity produced an estimated \$4.84 million in taxes, fees, and charges paid to the state and its local governments.
- The annual net economic benefit of Berlin Station is over \$43 million.
- New Hampshire's total energy expenditures exceed \$1.9 billion annually; Berlin Station's electricity accounts for just 1.34% of that, while being New Hampshire's largest generator of renewable energy.