

Berlin Station, LLC

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

DE 19-142

February 28, 2022



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 2021 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, 2021, 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. The only project undertaken of this nature during 2021 was a “precision inspection” of the facility’s steam turbine. This detailed inspection involved bringing technicians from Fuji (the turbine manufacturer) in Japan, addressing COVID quarantine protocols, and extending the facility’s semi-annual outage by 7 days. The inspection was recommended by Fuji and found the steam turbine to be in excellent condition. The cost for this work totaled approximately \$425,000.

Operating and Maintenance Costs

Operating and Maintenance Costs totaled \$68,846,828 in 2021.

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 540,483 MWh in 2021. 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)	540,483
Availability	93.9%
Capacity	91.5%

Revenues from the Sale of Renewable Energy Credits

Revenues from the sale of Renewable Energy Credits (“RECs”) totaled \$27,718,257 in 2021. 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 \$651,781 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 \$3,967,239 in 2021, with the price fixed by the terms of the PPA.

Energy Market Revenues

Energy Market revenues totaled \$38,714,530 in 2021, with the price fixed by the terms of the PPA.

Tax Benefits Received

Berlin Station received no tax benefits for the year 2021.

With respect to taxes paid, Berlin Station paid the following amounts for the year 2021:

- Utility Tax: \$171,881
- PILOT: \$1,375,000
- City of Berlin REC payment: \$651,781

In addition, Berlin Station paid water and sewer fees of \$777,665, which accounted for approximately 25 percent of the City of Berlin’s total annual water charges and 10 percent of the City’s total annual sewer fees.

Economic and Energy 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 has generated over \$550 million in statewide economic activity in its operating history to date and is projected to generate \$1.38 billion over 20 years.
- Berlin Station is the fourth-largest generator of power in New Hampshire, behind only nuclear and imported natural gas, and is the only one of those to run on locally sourced fuel. Berlin Station provides reliable, baseload power at a time when New England's power system is at heightened risk.²
- Berlin Station purchases approximately \$25 million in low-grade wood each year. Berlin Station is the largest single buyer of low-grade biomass in the state, with 150 different suppliers, and provides critical support to the forest products industry.
- Creating a market for low-grade wood also contributes significantly to sustainable forest management, lowering the risk of fire and allowing for recreational activities to take place.

² https://www.iso-ne.com/static-assets/documents/2021/12/20211206_pr_winteroutlook2122.pdf