

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 23-091

Date Request Received: December 22, 2023
Data Request No. PUC 1-001

Date of Response: December 29, 2023
Page 1 of 2

Request from: New Hampshire Public Utilities Commission

Witness: CHEN, YI-AN

Request:

What will be the source of funding for the Burgess Plant refund, included in Eversource's SCRC filing and referenced in the Chen/Davis Testimony at Bates Pages 22-23? Will the refund amounts be paid by the Burgess Plant owner(s) in real time, or will Eversource provide the Burgess Plant refund amounts from its general operating funds, subject to future reconciliation and/or rate recovery? Has Eversource issued an actual demand of the Burgess Plant refund from the Burgess Plant owner(s) in any form, citing the Burgess Plant PPA terms? If so, when and how?

Response:

The Second Amendment to the Amended and Restated Power Purchase Agreement ("PPA") between Public Service Company of New Hampshire ("PSNH") and Berlin Station, LLC ("Seller"), dated as of August 18, 2022, and approved by the Commission by Order No. 26,665 (August 11, 2022) in Docket No. DE 19-142 and Order No. 26,705 (October 14, 2022) in Docket No. DE 22-050, provides in relevant part that:

Section 6.1.4(c) of the [PPA] shall be restated as follows:

Notwithstanding Section 6.1.2 above, beginning with the Operating Year ending on November 30, 2023, if at the end of any Operating Year other than the last Operating Year during the Term, there exists a Cumulative Reduction in excess of One Hundred Million Dollars (\$100,000,000), such excess ("Excess Cumulative Reduction") will be credited against amounts otherwise due for Energy delivered to PSNH during the subsequent Operating Year until such Excess Cumulative Reduction is eliminated. To effect such credit, in each month during the subsequent Operating Year, one twelfth (1/12th) of the Excess Cumulative Reduction ("Monthly Energy Credit") shall be deducted by PSNH from the Seller's invoice, up to the full amount of the payment due to Seller pursuant to Section 6.1.2(a), and any excess over that amount shall carry forward to the following month to the Monthly Energy Credit. If, at the end of the Operating Year subsequent to the year during which

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 23-091

Date Request Received: December 22, 2023
Data Request No. PUC 1-001

Date of Response: December 29, 2023
Page 2 of 2

there was an Excess Cumulative Reduction, any such amount remains, it shall be deducted by PSNH from the Seller's invoice in the next Operating Year in the same manner described above. If upon expiration of the Term PSNH does not purchase the Facility, Seller shall pay PSNH the amount of any Excess Cumulative Reduction.

At a high level, the "Cumulative Reduction" effectively represents the above-market portion of energy payments made to Berlin Station, LLC during the PPA term, determined with reference to hourly ISO New England Day Ahead Locational Marginal Prices at the applicable delivery point. The offset against energy payments otherwise due under PPA Section 6.1.2(a) (but not less than zero) effectively serves as a means of recouping the Excess Cumulative Reduction, for the benefit of PSNH customers. But that offset is limited, as noted above, and also does not affect the payments made under the PPA for Capacity and RECs, so long as the generation facility continues to operate.

There is no actual "refund," but instead a credit is provided to PSNH that takes the form of a deduction from amounts otherwise payable to the Seller for its energy production during a given month. Beginning December 2023, the forecast monthly Excess Cumulative Reduction payment amounts to be deducted are shown in Attachments YC/EAD-1 and YC/EAD-2, Page 6, line 20.

Accordingly, the SCRC Part 2 cost recovery and Chapter 340 Adder will continue to apply, but will reflect the operation of the PPA recoupment of the Excess Cumulative Reduction described above; it is expected that the related costs recovered from customers will be lower than they would have been otherwise because of the offset mechanism in the PPA which is designed to recoup the Excess Cumulative Reduction over time while the plant continues to operate.

As there is no "refund," as discussed above, Eversource has not "issued an actual demand of the Burgess Plant refund from the Burgess Plant owner(s) in any form, citing the Burgess Plant PPA terms."

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 23-091

Date Request Received: December 22, 2023
Data Request No. PUC 1-002

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Page 1 of 2

Request from: New Hampshire Public Utilities Commission

Witness: CHEN, YI-AN

Request:

Eversource shall provide a more comprehensive narrative description, with supporting tabular presentations and source information citing data through additional attachments as necessary, indicating the flow of Burgess Plant-associated monies in the upcoming SCRC rate period, including any deferral accounts and/or deductions, citing the terms of the Burgess Plant PPA and other applicable authorities that support these adjustments.

Response:

The flow of Burgess PPA related costs recovered in (i) Part 2 SCRC-related costs, and (ii) Ch. 340 Adder-related costs, is reflected in Attachments YC/EAD-1, YC/EAD-2, and YC/EAD-3, each at Page 6, Lines 1 to 21, and can be summarized as follows:

- Line 2 reflects the monthly Energy related expense recorded in account 555000 for the (i) contractual Energy MWh purchases and (ii) Excess Cumulative Reduction (ECR) amount
- Line 3 reflects monthly ISO/NE Energy market revenues in account 447110
- Line 4 reflects the “net” or Above/(Below) Energy costs
- Line 6 reflects monthly allocated ISO-New England related charges for accounts 555618, 575700 and 575710
- Line 7 reflects the monthly Ch. 340 Excess Cumulative Reduction (ECR) related amount that includes the ECR Credit Adjustment as shown on Line 21 and reduces the amount of SCRC Part 2 Energy costs to be recovered from customers
- Line 8 reflects the monthly total Above/(Below) Energy related cost to be recovered as part of SCRC Part 2 costs from customers based on the allocation percentages prescribed in Docket No. DE 14-238 and shown in the header of Attachment YC/EAD-1, Page 1
- Line 9 reflects the monthly Capacity related expense recorded in account 555400
- Line 10 reflects monthly ISO/NE Capacity market revenues in account 447210
- Line 11 reflects the “net” or Above/(Below) Capacity costs
- Line 12 reflects the number of Renewable Energy Certificates (RECs) based on the prior calendar year quarterly MWh output. Please note the number of RECs procured is capped at 400,000

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 23-091

Date Request Received: December 22, 2023
Data Request No. PUC 1-002

Date of Response: December 29, 2023
Page 2 of 2

- Line 13 is the contractual PPA \$ per REC
- Line 14 reflects the amount of contractual PPA REC related expense for the prior calendar year quarter
- Line 17 (like Line 2) reflects the monthly Energy related expense recorded in account 555000 for the (i) contractual Energy MWh purchases and (ii) ECR amount
- Line 18 reflects the monthly Energy-related expense recorded in account 555000 for the contractual Energy MWh purchases
- Line 19 reflects the “net” Above/(Below) Energy costs to be recovered through the Ch. 340 Adder and reflected in Attachments YC/EAD-7, 8, and 9, Page 2, at Line 3
- Line 20 reflects the estimated ECR amount/Energy payments deducted and credited beginning with December 2023 energy production (as noted in the response to PUC 1-001)
- Line 21 reflects the amount of (i) the ECR amount to be adjusted through the Ch. 340 Adder mechanism, and (ii) the ECR Credit Adjustment, the sum of which is excluded from and reduces the amount of SCRC Part 2 Energy costs to be recovered from customers as shown on Line 7

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 23-091

Date Request Received: December 22, 2023
Data Request No. PUC 1-003

Date of Response: December 29, 2023
Page 1 of 1

Request from: New Hampshire Public Utilities Commission

Witness: CHEN, YI-AN

Request:

For Burgess, Eversource shall also provide a simplified one-page summary with reference footnotes to the testimony and relevant attachments, of the \$71 million that is due to ratepayers over the 12-month period, February 1, 2023 to Jan 31, 2024 and the line items added or deducted from the \$71 million to determine the total refund due to ratepayers attributable to Burgess. The total Burgess refund should be reflected as an annualized number delineating the adjustments from Burgess, with source information, that will yield the final dollar value due to ratepayers over this period.

Response:

The mechanism for recouping the Excess Cumulative Reduction amount through offsets to energy payments under the amended PPA with Berlin Station, LLC is described in response to PUC 1-001, and the forecasted impacts on the SCRC Part 2 Energy costs and Ch. 340 Adder are summarized in response to PUC 1-002 with reference to Attachments YC/EAD-1, YC/EAD-2, and YC/EAD-3, at Page 6, Lines 1 to 21.

In addition, please see Attachment PUC 1-003, Burgess PPA Excess Cumulative Reduction Forecast for the PPA Operating Year from December 2023 through November 2024.