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22  
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**I N D E X**

**PAGE NO.**

**OPENING STATEMENTS BY:**

Mr. Wiesner	5
Mr. Crouse	6
Mr. Young	8

**QUESTION BY CHAIRMAN GOLDNER (to OCA)** 7

**QUESTIONS BY CMSR. SIMPSON** 8, 26, 30, 46, 61, 68

<b>QUESTIONS BY CHAIRMAN GOLDNER</b>	18, 29, 31, 47,
	59, 61, 67, 68

**STATEMENT BY CMSR. SIMPSON** 58

1  
2  
3  
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11  
12  
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14  
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**P R O C E E D I N G**

CHAIRMAN GOLDNER: Okay. Good afternoon. I'm Chairman Goldner. I'm here today with Commissioner Simpson.

This status conference regarding Burgess issues is being held pursuant to the Commencement of Adjudicative Proceeding Order issued by the Commission on December 22nd, 2023, which also scheduled a July [January?] 19th hearing regarding the Stranded Cost Recovery Charge, or SCRC, to be charged Eversource ratepayers as of February 1st.

The Commission is especially interested in whether the Burgess-related arrangements will produce just and reasonable rates for Eversource customers, and whether they are in conformity with relevant law.

For today's status conference, after appearances by the parties, we'll have some Commissioner questions regarding the elements of the Company's testimony regarding Burgess, the DOE Technical Statement of Mr. Stephen Eckberg, the Company data responses provided to the Commission from Ms. Chen and Mr. Davis of

1 Eversource. And we will invite the parties to  
2 make brief opening statements after appearances  
3 are taken.

4 So, we'll now take appearances,  
5 starting with the Company.

6 MR. WIESNER: Good afternoon, Mr.  
7 Chairman, Commissioner Simpson. I'm David  
8 Wiesner, representing Public Service Company of  
9 New Hampshire, doing business as Eversource  
10 Energy. With me today is our chief witness on  
11 these issues, Yi-An Chen, as well as Bryant  
12 Robinson, both who work for the Company on  
13 revenue requirements.

14 CHAIRMAN GOLDNER: Thank you. We'll  
15 move to the Office of the Consumer Advocate.

16 MR. CROUSE: Good afternoon,  
17 Commissioners. My name is Michael Crouse, Staff  
18 Attorney for the Office of the Consumer Advocate,  
19 representing residential ratepayers in this  
20 matter.

21 CHAIRMAN GOLDNER: Thank you. And the  
22 New Hampshire Department of Energy.

23 MR. YOUNG: Good morning *[sic]*,  
24 Commissioners. Matthew Young, on behalf of the

1 Department of Energy. And with me today is  
2 Co-Counsel Marie-Helene Bailinson, as well as  
3 Stephen Eckberg, who is a Utility Analyst in the  
4 Electric Division.

5 CHAIRMAN GOLDNER: Thank you. Are  
6 there any other preliminary matters for the  
7 status conference, outside of Burgess?

8 *[No indication given.]*

9 CHAIRMAN GOLDNER: Okay. So, seeing  
10 none, we'll invite the parties to make brief  
11 opening statements regarding the Burgess matters,  
12 beginning with Eversource.

13 MR. WIESNER: Thank you, Mr. Chairman.

14 We really hadn't prepared an opening  
15 statement. I think that the data request  
16 responses that we provided hopefully provided  
17 some greater clarity about the Berlin -- the  
18 Burgess PPA provisions, relevant to the Excess  
19 Cumulative Reduction Recoupment mechanism, and  
20 how it is expected to operate, and how we have  
21 estimated it will operate for the SCRC rate  
22 period that begins February 1st.

23 CHAIRMAN GOLDNER: Okay. Thank you.

24 And, before we move to the OCA, I'll

1           just say that the Commission has spent  
2           considerable time in the filing, and we are  
3           having trouble tracking the transactions, so --  
4           including the filing -- the recent filing from  
5           the Company. So, we'll have some questions  
6           today, and it's in the spirit of preparing for  
7           the Friday hearing, and helping everyone  
8           understand at least where we're struggling.

9                         So, thank you, Attorney Wiesner. Let's  
10           move to the Office of the Consumer Advocate, and  
11           Attorney Crouse.

12                        MR. CROUSE: Thank you, Commissioners.

13                        The OCA is reserving its right to  
14           present its final position until the hearing next  
15           week, but has found the record requests and the  
16           responses by the Company rather helpful.

17                        As you may already be aware, we've  
18           already met once in a technical session with both  
19           the Department and Eversource, and are going to  
20           meet again mid-week next week. And we have just  
21           felt that the process has been helpful, as the  
22           OCA does agree with the Department's technical  
23           statement, with respect to this is the first time  
24           that we've seen in a return excess of those

1 Cumulative Reduction funds taking place. So, we  
2 just want to make sure it goes by correctly.

3 Thank you.

4 CHAIRMAN GOLDNER: Does the Consumer  
5 Advocate have any thoughts -- one of the things  
6 the Commission is struggling with is that the  
7 SCRC actually increases, the rate increases,  
8 relative to last year, it doubles almost, and  
9 that's sort of contrary to the expectation that  
10 maybe the Legislature, the Governor, and  
11 ratepayers have of a \$70 million reduction.

12 So, does the Consumer Advocate have any  
13 sort of initial thoughts on that "big picture"  
14 view?

15 MR. CROUSE: It's certainly an  
16 interesting development. We haven't fully formed  
17 our position on that, which is why we have a  
18 great interest in hearing the Commissioners'  
19 concerns, as well as anything that the Department  
20 or Eversource has to share at this status  
21 conference this week. But we are certainly  
22 looking into this, to make sure everything is  
23 developing as just and reasonable.

24 CHAIRMAN GOLDNER: Okay. Thank you,

1 Attorney Crouse.

2 And we'll turn now to the New Hampshire  
3 Department of Energy, and Attorney Young.

4 MR. YOUNG: Thank you, Commissioners.

5 Similarly, the Department doesn't have  
6 a prepared opening today. But we have filed a  
7 Technical Statement of Stephen Eckberg on January  
8 5th.

9 After reviewing the various filings and  
10 power purchase agreements, we do believe that the  
11 Burgess costs and reconciliation in the filing  
12 are appropriate. But we do continue to review  
13 the filing, and are interested in the technical  
14 session scheduled next week with the Company.

15 CHAIRMAN GOLDNER: Okay. Okay, thank  
16 you.

17 So, now, we'll move to Commissioner  
18 questions, beginning with Commissioner Simpson.

19 CMSR. SIMPSON: Thank you, Mr.  
20 Chairman.

21 I think, similar to the Chairman's  
22 comments, we're just struggling to go through the  
23 schedules, and understand the flow between the  
24 PPA, the refund, and then prior term SCRC costs.



1           It looks like there's a significant carryforward  
2           from the prior term.  But, you know, more insight  
3           into that.  How that estimate was developed last  
4           term?  What led to that carryforward here?  The  
5           difference, functionally, between the 340 Adder,  
6           Part 2 costs, how do those play into the world  
7           for deriving the final SCRC rate charges?

8                     You know, I don't know if we're  
9           expecting your witnesses to testify today.  I  
10          don't think we are.  I don't know if -- what's  
11          your expectation, Mr. Chairman?

12                    CHAIRMAN GOLDNER:  My thoughts were  
13          that we could ask questions of the attorneys, and  
14          to sort of frame the concerns that we have.  And,  
15          if the attorneys felt that it would be helpful to  
16          engage the analysts, then we would certainly  
17          appreciate that.  Or we could, you know, so, we  
18          would appreciate any sort of insight that we can  
19          get from the Company or the parties today, but  
20          not --

21                    CMSR. SIMPSON:  Uh-huh.

22                    CHAIRMAN GOLDNER:  -- not put a witness  
23          on the stand.

24                    CMSR. SIMPSON:  Okay.  That's helpful.

1           Understanding that the PPA has taken  
2           root over a decade ago, and there's been various  
3           changes through acts of the Legislature, the  
4           terms of the original PPA, how the figures for  
5           REC capacity payments, energy payments were  
6           derived, and then subsequently calculated and  
7           reflected in the schedules, I'm struggling to  
8           follow that. How the Part 2 costs ultimately get  
9           collected via the final SCRC rate, understanding  
10          that.

11           The process and methodology employed to  
12          develop the contract prices that I mentioned, the  
13          market price for energy, the REC payment, the  
14          capacity payments. In the PPA, there are what  
15          appear to be step-downs of 75 percent of the  
16          Class I REC price, to 70 percent, and  
17          subsequently following that, based on the roughly  
18          \$61 per Class I REC that's identified by the DOE.

19           Understanding the market volatility,  
20          and the interplay with that over the last year  
21          with the carryforward.

22           A breakdown of the overall increase in  
23          the SCRC. I think I understand that, but I  
24          really would appreciate a walk-through.

1           Whether there are interest or fees on  
2           the rate reduction bond charges? I think that's  
3           probably outside the scope of this. So, I'll  
4           remove that question from the record, given that  
5           this is just for Burgess.

6           So, those are really where I'm  
7           struggling. And I hope that, at hearing, the  
8           Company can walk us through the SCRC filing  
9           Attachment YC/EAD-1 through 18, and show us how  
10          the terms of the PPA are reflected in this  
11          presentation, and how the prior carryforward is  
12          reflected as well.

13          I think, at this point, that's all I  
14          would have. I just need some additional clarity  
15          from the parties, because my naivety is an  
16          obstacle at this point. So, looking forward to  
17          hearing from the witnesses.

18          Thanks.

19          MR. WIESNER: So, I guess I'm  
20          wondering, you know, what we're going to do  
21          today? Because, if we're going to get to that  
22          level of walking through the schedules and the  
23          specific numbers, and how they were, you know,  
24          estimated, how they were reconciled against

1 actuals from prior years, I think that is  
2 something where the analysts are going to be  
3 front and center in helping you understand that.

4 I think, you know, I'm not -- the  
5 status conference is kind of a strange procedural  
6 event. It kind of seems like more of a  
7 "discovery" undertaking. We have the witnesses  
8 here, we have analysts who can speak to those  
9 issues, but it's not on the record --

10 CMSR. SIMPSON: Right.

11 MR. WIESNER: -- for a decision. But  
12 it might be helpful in the Commission's  
13 understanding, and it might help us have a more  
14 efficient hearing next week.

15 CMSR. SIMPSON: That's what we're  
16 aiming to.

17 MR. WIESNER: Okay.

18 CMSR. SIMPSON: And, given your  
19 background, formerly with the Commission, the  
20 Department, now with the Company, you know, we  
21 look to your expertise, I would say, Attorney  
22 Wiesner.

23 If there are elements to the PPA  
24 transaction and the Company's engagement with

1           Burgess, from a legal standpoint, that might be  
2           helpful to us, to lay a foundation for our  
3           understanding, that would be helpful.

4                        Because, ultimately, our number one  
5           objective, with respect to Burgess, is to ensure  
6           that the terms of the PPA, that were blessed by  
7           this Commission in 2010-2011 timeframe, are being  
8           met, and that ratepayers are accurately receiving  
9           the refund.

10                      MR. WIESNER:   Okay.  And I'll just take  
11           this opportunity to say that the use of the word  
12           "refund" is, you know, perhaps not entirely  
13           accurate, and we tried to clarify that --

14                      CMSR. SIMPSON:  Uh-huh.

15                      MR. WIESNER:  -- in the data request  
16           responses that we provided.  It really is not a  
17           refund of a pot of money.  And I think the DOE's  
18           technical statement also drew a distinction  
19           between the RGGI refund, where there are funds to  
20           be returned to customers, --

21                      CMSR. SIMPSON:  Uh-huh.

22                      MR. WIESNER:  -- and the way this  
23           mechanism works, which is a setoff against future  
24           energy payments that would be made to the plant,

1           so long as it continues to operate. That's what  
2           the PPA calls for. And I think we are confident  
3           that what we proposed, you know, putting aside  
4           the specific numbers and how they all flow, but  
5           that what we proposed is fully consistent with  
6           the PPA terms.

7                        I'll say as well, that the only thing  
8           that's really new this year is that the prior --  
9           we had four years of suspension of recoupment of  
10          the Excess Cumulative Reduction, because the  
11          Legislature said that's what needed to happen.  
12          As of December 1st, that suspension is done. And  
13          there's a lag time, because the bill for payments  
14          to the plant operator for December production  
15          won't be prepared, in my understanding, until  
16          later this month. So, you know, you got a full  
17          month of December production, and then you have a  
18          bill that's payable that will be prepared, I  
19          believe, sometime in the latter part of January.

20                       So, that has not occurred yet. But  
21          what we have in the filing that's before you in  
22          the SCRC docket are the schedules that contain  
23          the Company's estimates, based on historical  
24          experience and market projections of how that

1 will work going forward.

2 And that's about the full extent of my  
3 understanding. And, if we want to go  
4 line-by-line, it's going to be much more --

5 CMSR. SIMPSON: Uh-huh.

6 MR. WIESNER: -- productive to do that  
7 with Ms. Chen or Mr. Robinson.

8 CMSR. SIMPSON: Okay. And that's fair.  
9 We expected that today would be somewhat  
10 stage-setting for the hearing coming up next  
11 week.

12 We, I think as you indicated, our hope  
13 was to facilitate an efficient process next week  
14 with this status conference.

15 MR. WIESNER: And I guess I'll just  
16 also take the opportunity to state the obvious,  
17 which is the SCRC covers a lot different  
18 components.

19 CMSR. SIMPSON: Uh-huh.

20 MR. WIESNER: And it's entirely  
21 possible that, you know, even if the total net  
22 impact of the Burgess PPA were less than it would  
23 have been otherwise, that other rate components  
24 are higher, in that the -- so that the total

1 all-in rate, you know, may be higher as a result  
2 of changes affecting those other rate components.

3 And, as the testimony refers to, some  
4 of the, you know, more dramatic changes that may  
5 jump off the page are, you know, driven largely  
6 by the volatility in market prices over the past  
7 year, which, of course, is well known.

8 CMSR. SIMPSON: Uh-huh. Okay. I'll  
9 stop there for now. And I may have other  
10 questions, after hearing from you, Mr. Chairman.  
11 But that's all I have.

12 Oh.

13 MR. YOUNG: Commissioner, I think Mr.  
14 Eckberg wanted to just chime in.

15 CMSR. SIMPSON: Please. Thank you.

16 MR. ECKBERG: Thank you for the  
17 opportunity to contribute. Just as a little bit  
18 of supplemental information, Chairman Goldner a  
19 few months ago mentioned something about the fact  
20 that the SCRC rate overall is increasing a bit,  
21 even though there is a -- I believe you referred  
22 to a \$70 million refund or rebate-type situation.

23 And, in fact, while that is that  
24 approximate amount, the 70 or \$71 million, is, as



1 explained in the Company's testimony, that amount  
2 is what we refer to as the "Excess Cumulative  
3 Reduction Fund". And that is the amount that is,  
4 as Attorney Wiesner explained, currently  
5 beginning to be flowed back to customers.

6 I think the Company's testimony and  
7 schedules also demonstrate that that amount will  
8 not be completely returned to customers in a  
9 12-month period. And, hopefully, that aspect of  
10 the return is clear. Also, I think the --  
11 there's a schedule attached to the Company's  
12 response to Question 3, which shows that,  
13 actually, I believe a little bit less than half  
14 of it only will be returned, just because of the  
15 way the return works over time.

16 So, it isn't the full 70 million that  
17 will be returned in the next year. That will  
18 take several years to take place.

19 And that's what I wanted to offer at  
20 this point.

21 CHAIRMAN GOLDNER: Thank you. And  
22 that's actually at the very center of the  
23 Commission's questions.

24 CMSR. SIMPSON: Uh-huh.

1                   CHAIRMAN GOLDNER:  Because, when we  
2                   read the PPA, and we look at the calculations for  
3                   the return, and we try to pull all that together,  
4                   we're having -- we're struggling to reach an  
5                   understanding of the numbers as filed by the  
6                   Company.

7                   So, we'll continue to ask some  
8                   questions today to kind of show where we're  
9                   confused, and then any enlightenment that you  
10                  could provide would be very helpful.

11                  So, I'll just kind of proceed with a  
12                  few questions, and then maybe it will become  
13                  clear where we're -- where we're struggling.

14                  So, let me start with kind of the "big  
15                  picture".  So, Attorney Wiesner, when the  
16                  technical team is here next week, I'll kind of  
17                  lead with the question of, you know, what's the  
18                  total SCRC cost, from a ratepayer perspective,  
19                  for the upcoming twelve months from the prior  
20                  twelve months?  I get -- I get about 95 million  
21                  for the upcoming twelve months in the SCRC, and I  
22                  get about a 53 million last year.  So, that's --  
23                  the SCRC, in total, is going up 40 million.  And,  
24                  yet, ratepayers, the Legislature, Governor's

1 Office, is thinking 70 million.

2 Now, to Mr. Eckberg's point, totally  
3 understand that that's probably not the reality  
4 of how the PPA works. But, in the minds of the  
5 public, that's what we're -- that's what we're --  
6 I think we're going to face, in terms of the  
7 public scrutiny of what we're talking about here  
8 today.

9 So, we have an SCRC that's going way  
10 up, we have sort of an expectation that it goes  
11 way down, and that's something we'll want to  
12 fully explore next week.

13 And, so -- and one question I would  
14 like to have answered today, Attorney Wiesner, if  
15 possible, from the Company is, I'm trying to  
16 follow the money. So, I know that Eversource,  
17 per the PPA, is writing checks to Burgess for  
18 capacity payments, for RECs, and for the cost of  
19 energy. And let me -- just bear with me a second  
20 here, let me click over to another spreadsheet.

21 And what's referred to in the Company's  
22 filing as the "contract prices".

23 So, when I add all that up, it looks to  
24 me like Eversource cut a check to the company

1 last year for about \$72 million. Is that  
2 something the Company could help me with today?  
3 Is that what's happening? The Company is writing  
4 checks for 72 million, to Eversource, at least  
5 for last year, and then we'll talk about -- I'm  
6 sorry, to Burgess, for last year? And, then,  
7 we'll talk about this year in a moment.

8 And I'm looking, for reference, for the  
9 analysts, it's YC/EAD-1, Page 6. And I'm adding  
10 up just all the contract prices. So, 43 million,  
11 4 million, and 24 million, in those three lines,  
12 respectively, Lines 2, 9, and 14.

13 I'm just trying to understand the money  
14 that's flowing to Burgess as part of what's going  
15 on here.

16 MR. WIESNER: So, YC/EAD-1 is the  
17 projection for the coming year?

18 CHAIRMAN GOLDNER: Correct.

19 MR. WIESNER: Okay.

20 CHAIRMAN GOLDNER: Correct. And you  
21 filed the history as well. So, on EAD-2, it's  
22 got the prior year, and EAD-3 has got the year  
23 before that. So, I'm just trying to reference  
24 the material I'm looking at.

1 Is that right, 72 million? Yes.

2 MS. CHEN: So, if I can start with --

3 CHAIRMAN GOLDNER: Probably EAD-2 is  
4 more appropriate, right?

5 MS. CHEN: Yes. Because that's the  
6 actual through November 2023.

7 So, if I can direct the Commission to  
8 Line 9, that's the -- and that's the twelve-month  
9 total, 3.9 million, that's the capacity.

10 CHAIRMAN GOLDNER: Yes.

11 MS. CHEN: And, then, on Line 14, --

12 CHAIRMAN GOLDNER: Is the RECs.

13 MS. CHEN: The RECs, yes.

14 CHAIRMAN GOLDNER: Yes. And, then,  
15 Line 2 would be the energy, the energy at the  
16 contract price, right, Line 2?

17 MS. CHEN: Yes.

18 *[Court reporter interruption.]*

19 MS. CHEN: Oh, sorry. Yes. So,  
20 Line 2, 43.7 million would be the energy piece.

21 CHAIRMAN GOLDNER: So, am I doing the  
22 math right, to say that 43 million in Line 2, the  
23 4 million on Line 9, and the 24 million on Line  
24 14, composes the entirety of the checks that go

1 from Eversource to Burgess, is that right?

2 MS. CHEN: Correct.

3 CHAIRMAN GOLDNER: Thank you. Okay,  
4 that's very helpful. We were trying to figure  
5 that out. It took us a while.

6 Okay. So, now, if we move to the same  
7 schedule for the upcoming year, the year  
8 beginning February 1st, we have almost the same  
9 numbers, it's 43 million on Line 2, 4 million on  
10 Line 9, and 25 million on Line 14, so very  
11 similar.

12 Now, is Eversource cutting that same  
13 check to Burgess, or are you removing Line 2?

14 MS. CHEN: So, we will be removing  
15 Line 2, given that this is a forecasted amount.  
16 And it's only if Burgess continues to generate  
17 energy. And, then, we will withhold the payment  
18 of whatever they generate for the energy piece.  
19 And, then, for the RECs and the capacity, they  
20 will continue.

21 CHAIRMAN GOLDNER: Even if -- only if  
22 they're an ongoing concern, right? Only if  
23 they're still producing energy? You don't pay  
24 them for RECs if they're not producing, correct?

1 MS. CHEN: You are correct.

2 CHAIRMAN GOLDNER: Okay.

3 MS. CHEN: That's what I meant.

4 CHAIRMAN GOLDNER: So, thank you for  
5 that.

6 So, let's just take, just to make sure  
7 I'm clear, February of '24, so, next month, you  
8 will -- Eversource will write a check on the REC  
9 line for one-third of -- is that right? Am I  
10 reading that right? November 1st delivered is  
11 \$60. I'm not sure why it's so small. Let's take  
12 a different month. Let's take July of '24. July  
13 '24, so, the RECs, for the RECs, the Company will  
14 send a check to Burgess for \$8,046,000, divided  
15 by 3, correct? So, one-third of the number in  
16 that column? Or will you cut the check for the  
17 entire amount of the RECs in that column?

18 CMSR. SIMPSON: Yes. Is it for the  
19 whole quarter that you pay them?

20 CHAIRMAN GOLDNER: Right. Is this for  
21 the quarter or for the month?

22 MS. CHEN: Yes. It's for the quarter.

23 MR. ROBINSON: For the quarter.

24 CHAIRMAN GOLDNER: So, it's the quarter

1 ended. So, once the quarter, --

2 [Court reporter interruption - multiple  
3 parties speaking at the same time.]

4 CHAIRMAN GOLDNER: So, I'll repeat for  
5 the court reporter.

6 So, for the RECs, I believe the Company  
7 is saying that, once the quarter is complete,  
8 then the Company writes the check for the amount  
9 on Line 14?

10 MR. ROBINSON: Correct. There's a lag.  
11 And you were asking about why the number was so  
12 low in the April '24, that will be Q4 of 2023  
13 that we're paying for those RECs. And the way  
14 the Burgess contract works, we're capped at  
15 400,000 RECs. So, the buildup is used in Q1  
16 through Q3 of a calendar year, Q4 is sort of the  
17 true-up that you adjust to get to that 400,000  
18 cap.

19 CHAIRMAN GOLDNER: Very good. Thank  
20 you. That is extremely helpful. We couldn't  
21 figure that out.

22 CMSR. SIMPSON: And that must be why  
23 Line 13 has a different REC price associated with  
24 it, because it's for the prior --



1 MR. ROBINSON: Correct.

2 CMSR. SIMPSON: -- compliance year.

3 MR. ROBINSON: Because of the lag.

4 CMSR. SIMPSON: Okay.

5 MR. ROBINSON: Because there's a  
6 one-quarter lag in the payment of the RECs.  
7 You're 100 percent correct. The RECs are paid  
8 the quarterly total. It's not one-third of each  
9 month, it's they bill us for the quarter, that's  
10 what we pay. So, that \$8 million projected for  
11 July '24, Commissioner, that's the amount for the  
12 July bill that we would pay.

13 CHAIRMAN GOLDNER: I see. Thank you  
14 very much. Okay. That's very helpful.

15 In that same month, July of '24, it  
16 looks like the check that would go to the company  
17 would be \$337,000, is that right? I'm reading  
18 Line 9.

19 MS. CHEN: Capacity.

20 CHAIRMAN GOLDNER: Capacity, right.

21 MS. CHEN: Yes. The forecasted, yes.

22 CHAIRMAN GOLDNER: Okay. Very good.

23 And would that be all that Burgess would receive?

24 They would get the check for the \$8 million that

1 we just talked about, because that's -- that's  
2 queued up over time, then they would get a check  
3 for 337,000. Is that it? Or, would Eversource  
4 write additional checks to the company for  
5 anything?

6 MS. CHEN: For the month of July, that  
7 would be the only thing, if they continued to  
8 operate.

9 CHAIRMAN GOLDNER: Perfect. Thank you.  
10 Excellent. This is very helpful. Okay.

11 CMSR. SIMPSON: And, then, if I may?

12 CHAIRMAN GOLDNER: Please.

13 CMSR. SIMPSON: So, then, Line 7, you  
14 refer to as the "Chapter 340 Reduction", that is  
15 the return to customers from a prior period?  
16 What period are we looking at there?

17 MS. CHEN: So, that would be the -- so,  
18 this actually ties to the response to the data  
19 request, PUC 1-003. So, this is, because of the  
20 middle of the -- of this Excess Cumulative  
21 Reduction, that's -- now we have to start, like,  
22 returning through the SCRC mechanism to the  
23 customers. So, we reflect -- reflect it in the  
24 schedule starting December 2023. So, if we go to

1 YC/EAD-2, Page 6, so, on Line 30 -- I'm sorry,  
2 Line 20. So, you will see, starting  
3 December 2023, there will be this Excess  
4 Cumulative Reduction forecast reflected in the  
5 schedule, which ties to what we responded in that  
6 attachment, PUC 1-003.

7 CMSR. SIMPSON: So, does that figure  
8 reflect a reduction in the payment that you make  
9 to Burgess? You reduce the check that you are  
10 cutting them that month?

11 MS. CHEN: So, if I can refer you to  
12 that attachment, 1-003, --

13 CMSR. SIMPSON: Yes.

14 MS. CHEN: -- to the data request.

15 CMSR. SIMPSON: I have that in front of  
16 me.

17 MS. CHEN: Okay. So, it's actually --  
18 so that you can see the excess amount, total of  
19 70.595 million, in Column C. And, then, for  
20 Column C and D, that's comparing which is the  
21 lesser of the number.

22 CMSR. SIMPSON: I'm sorry, which tab  
23 are you looking at, when you refer to the  
24 columns?

1 MS. CHEN: Oh. It's the Attachment PUC  
2 1-003, Page 1.

3 CMSR. SIMPSON: So, it's just prose,  
4 it's not --

5 CHAIRMAN GOLDNER: Yes. Yes. There  
6 you go.

7 CMSR. SIMPSON: Thank you. Okay,  
8 please continue.

9 MS. CHEN: Oh, sure. So, Column B, you  
10 can see, in December 2023, that's the Excess  
11 Cumulative amount, the "70.595 million".

12 CMSR. SIMPSON: Yes.

13 MS. CHEN: So, we amortize that by  
14 twelve months. So, that's where you can see  
15 Column C had the 5.9 millionish per month, as the  
16 estimates. And, then, Column D is the estimated  
17 energy payment that we would -- we would "cut a  
18 check", so to speak, if we are not in the  
19 situation today.

20 CMSR. SIMPSON: Normal buying --

21 *[Court reporter interruption - multiple*  
22 *parties speaking simultaneously.]*

23 CMSR. SIMPSON: If you had normally --  
24 if you had a typical PPA with an energy

1 generation facility, this is what you would be  
2 paying them on a monthly basis?

3 MS. CHEN: That's correct.

4 CMSR. SIMPSON: Okay.

5 MS. CHEN: Yes. So, prior -- so,  
6 basically, that's the case, prior to  
7 November 2023, which we discussed earlier.

8 So -- and, then, these are the  
9 estimated amounts that we will pay Burgess. But,  
10 then, under the PPA, it's really the lesser of.  
11 So, that's why you see Column E is trying to  
12 recognize the lesser of those two numbers. So,  
13 it's really the estimated amount. So, that's  
14 actually the number that we are taking into  
15 account in this calculation on the table.

16 And this number actually ties to what  
17 you just asked on YC/EA -- Attachment YC/EAD-2,  
18 Page 6, Line 20. Okay.

19 CMSR. SIMPSON: Okay.

20 MS. CHEN: Okay.

21 CMSR. SIMPSON: I see that.

22 CHAIRMAN GOLDNER: And just to follow  
23 up on Commissioner Simpson's question, in that  
24 same table, on the record request, 1-003, the

1 same table we were talking about, there's another  
2 column, Column F, --

3 MS. CHEN: Uh-huh.

4 CHAIRMAN GOLDNER: -- where the  
5 43 million in Column E is reduced further,  
6 which gives you the running total in Column G of  
7 the reduction -- the actual reduction in the  
8 CRF of about \$30 million. Is that how to read  
9 that?

10 MS. CHEN: Correct. So, Column F in  
11 that table is the above- or below-market energy  
12 dollar for the Excess piece that we are  
13 recovering through the Chapter 340 portion. And,  
14 then, that is then taking into account your  
15 point, yes, Chairman, Column G. So, that's why  
16 you're seeing the 71 million beginning  
17 December 2023, is then reduced down to, as a  
18 forecast, of 39.7 million at the end of  
19 November 2024.

20 CHAIRMAN GOLDNER: Okay. Thank you.  
21 Anything else, Commissioner Simpson?

22 CMSR. SIMPSON: Yes.

23 And, just to confirm, for the  
24 difference between Column C and Column D, the

1 fact that you use the lower of the two, that's a  
2 term in the contract?

3 MS. CHEN: Correct.

4 CMSR. SIMPSON: Okay. Thank you.

5 CHAIRMAN GOLDNER: And, so, just as a  
6 hypothetical, if energy costs were to increase  
7 from where you're expecting in this forecast, how  
8 would this table change? If energy costs, let's  
9 say, doubled, how would this table change, or  
10 would it?

11 MR. ROBINSON: Commissioner, if we're  
12 focused on that table in that record request,  
13 that data request, if energy prices doubled,  
14 because, again, while the plant still operates,  
15 the CRF -- or, Excess Cumulative amount still  
16 continues to be calculated. That's what's in  
17 that column that you're talking about. And you  
18 see it as -- you see it starting out as a  
19 negative number, which means it's "in the money".  
20 Burgess is -- you know, the market prices are  
21 higher than the Burgess energy price per  
22 contract. So, if market prices doubled, then a  
23 lot of those positive numbers in that column  
24 would be negative.

1                   CHAIRMAN GOLDNER:  And, then,  
2                   hypothetically, you know, and I just used the  
3                   doubling just for illustration, but that  
4                   12.5 million, in Column F, if energy prices went  
5                   up, what we do know is that 12.5 million would be  
6                   a lower number, it would be reduced, maybe it  
7                   would be 1 million, maybe it would be a negative  
8                   number, but we would expect to see that column  
9                   change?

10                   MR. ROBINSON:  Correct.

11                   CHAIRMAN GOLDNER:  Okay.

12                   MR. ROBINSON:  Again, while the plant  
13                   operates.  That that's -- the terms of the PPA  
14                   still apply.  So, that, yes, that Excess  
15                   Cumulative amount would still be continued to be  
16                   calculated and reflected.

17                   CHAIRMAN GOLDNER:  Okay.  So, if  
18                   that -- if energy prices increased, Column F  
19                   would -- the cumulative number would decrease,  
20                   and, therefore, from a ratepayer perspective,  
21                   ratepayers would see -- I'm trying to think of  
22                   how to phrase it -- that 70 million cumulative  
23                   number, instead of it going to 39.7 million, it  
24                   would be better than that, it would be lower than



1           that?  It might be 35 or 30 million?

2                   MR. ROBINSON:  Hypothetically, yes.

3                   CHAIRMAN GOLDNER:  Hypothetically.

4           And, obviously, the reverse is also true?

5                   MR. ROBINSON:  Correct.  Yes.  It's  
6           symmetrical.

7                   CHAIRMAN GOLDNER:  Okay.  And so, this  
8           is one -- this is one of the things I couldn't  
9           figure out.  So, if the check going to -- from  
10          Eversource to Burgess is just the capacity  
11          payments and the RECs, I couldn't, in my mind,  
12          reconcile that math with this math, with no other  
13          checks going to Burgess.  I got -- if you could  
14          just help me sort of understand the money flow?

15                   MR. ROBINSON:  I'll be more than happy  
16          to.

17                   If you think of, when you say "in the  
18          money", let's think of the bill, the Burgess  
19          bill, the Burgess bill includes three products:  
20          Energy, capacity, and RECs.  Even though -- even  
21          though we're in this time, you know, the bill  
22          will still be prepared, you know, as long as they  
23          operate, and we will calculate what the energy  
24          expense is, capacity expense, and REC expense, in

1 those quarterly periods. So, that calculation  
2 takes place. And we still calculate what the  
3 excess amount is, which is the difference  
4 between -- think of the total energy expense,  
5 \$100, in the contract there's also -- this  
6 contract, I don't know all the nuances, but I  
7 understand at a high level, it has a lot of  
8 separate calculations.

9 So, your energy expense per month could  
10 be \$100. And, then, within that contract,  
11 because, keep in mind, this contract was entered  
12 into with the stipulation there would be a \$100  
13 million cap above market. So, we still had to  
14 have the ability to determine what was above  
15 market. So, there was a formula in the contract  
16 that, yes, you have your energy per the contract  
17 price that was agreed to, but then you also --  
18 then, there was a separate calculation that you  
19 made an honest purchase, times the market price.  
20 There's a calculation that comes with that market  
21 prices. That differential between the total  
22 energy and your calculated energy -- your  
23 calculated energy, or market, is your excess.

24 And, so, this contract is unique in the

1 sense, I've just seen energy calculated  
2 megawatt-hours times a price. I haven't seen one  
3 with a cap, I haven't seen one with you calculate  
4 a market on the side, in order so you can track  
5 that excess amount, to see if you're getting near  
6 that \$100 million cap over time. And that's what  
7 happened in 2019, they exceeded that \$100 million  
8 cap.

9 CHAIRMAN GOLDNER: I see. This is  
10 extremely helpful. I think I'm very clear now.  
11 So, the higher the energy price, the faster the  
12 ratepayers get paid back, if I can use that  
13 expression, because, of course, the higher the  
14 energy price, times the amount of energy, it's  
15 going to be a larger number, and, so, the payoff  
16 goes quicker. And, obviously, conversely, that's  
17 true.

18 But the only checks going to Burgess  
19 are in the -- until it's paid off, until the 70  
20 million is paid off, the only checks that go to  
21 Burgess are for RECs and for capacity?

22 MR. ROBINSON: Correct.

23 CHAIRMAN GOLDNER: Thank you. This  
24 is -- this is very helpful.

1           Okay. I do have a couple more lines of  
2           questioning. So, we couldn't figure out what the  
3           contract price for energy was for the upcoming  
4           year, partially because we don't know exactly  
5           what the output assumption was, and partially  
6           because Section 6.1.2 of the PPA calls that a  
7           "\$69.80" number, which we couldn't make work in  
8           the calculation. So, we were hoping that you  
9           could (a) help us understand what the contract  
10          price was, and how that relates to the PPA, and  
11          then what your assumption was for the factory  
12          output for the year?

13                 MR. ROBINSON: Bear with us,  
14                 Commissioner. I just have to get to the  
15                 proper --

16                 CHAIRMAN GOLDNER: Thank you.

17                 MR. ROBINSON: And, of course, having  
18                 one small screen, unlike the two large screens we  
19                 have in the office, doesn't make it any easier.  
20                 So, I just apologize. And I lost my reference.  
21                 Now, I have to go back.

22                         *[Short pause.]*

23                 CHAIRMAN GOLDNER: While we're waiting,  
24                 Attorney Wiesner, has the Company had any

1 communication with Burgess as to it continuing as  
2 an ongoing concern? Is there any -- have you  
3 received any questions or any feedback relative  
4 to the plant's operation?

5 MR. WIESNER: I'm not aware that the  
6 Company has received any indication from the  
7 Burgess plant owners that there's a plan to  
8 discontinue operations. I think our  
9 understanding, and, certainly, the assumption  
10 that underlies these projections that we're  
11 looking at today, is that they continue to  
12 operate.

13 CHAIRMAN GOLDNER: Okay. Thank you.

14 MR. WIESNER: And I'll just note that,  
15 you know, there is something of a disconnect in  
16 timing, because the operating year for the plant  
17 runs December through November, and the SCRC rate  
18 period, of course, is February through January.  
19 And that's why we had to dip back into YC/EAD-2,  
20 to look at December and January, which, as Ms.  
21 Chen noted, are the first two months where  
22 there's an offset against the energy payment  
23 otherwise due to the plant owner. But, of  
24 course, those two months are not included in the

1 estimates for the upcoming year.

2 CHAIRMAN GOLDNER: Very good.

3 MR. WIESNER: And the estimates for the  
4 upcoming year, the primary -- the primary sort of  
5 variable is the market pricing, of course. But  
6 my understanding is that our projections are  
7 based on market intelligence, if you will,  
8 forward pricing.

9 CHAIRMAN GOLDNER: Thank you. And I'll  
10 just note, before we turn back to the prior  
11 question, that the combination of the RECs, plus  
12 the capacity payments, that's about 35 million,  
13 is actually greater than the current ISO-New  
14 England forecast you have. So, from an ongoing  
15 concern perspective, the company is receiving  
16 actually a higher-than-market rate, even from a  
17 cash flow perspective, and even though you're not  
18 paying them anything in the intermediate term,  
19 based on the energy prices. So, in other words,  
20 the company is still receiving a significant  
21 amount of money from Eversource via the PPA, to  
22 the tune of about 35, 34 million -- I'm sorry, 29  
23 million in the upcoming year.

24 MR. WIESNER: The Cumulative Reduction

1 and the recoupment mechanism for the Excess  
2 Cumulative Reduction, which is the portion above  
3 100 million, only applies to energy.

4 CHAIRMAN GOLDNER: Yes.

5 MR. WIESNER: And capacity and RECs are  
6 separate.

7 CHAIRMAN GOLDNER: One hundred percent,  
8 yes. Thank you.

9 MR. WIESNER: I also, for what it's  
10 worth, I was able to pull up the amended and  
11 restated PPA that was approved back in 2011.  
12 And, in the pricing section, there is a base  
13 price, it is also adjusted by the "Wood Price  
14 Adjustment".

15 CHAIRMAN GOLDNER: A hundred percent.

16 MR. WIESNER: So, that's, you know, one  
17 of the reasons why we might have a different  
18 applicable purchase price than the 69.80 that you  
19 see in the top-line number.

20 CHAIRMAN GOLDNER: Thank you. And I'm  
21 not looking at the exact spreadsheet, but I did  
22 note that you had a spreadsheet with the Wood  
23 Factor number broken out separately. So, that  
24 was -- thank you for the clarity on that. That

1 was broken out on your spreadsheets.

2 But the base price should still line up  
3 to the 69.80, which we could not reconcile.

4 MR. ROBINSON: And it does,  
5 Commissioner.

6 CHAIRMAN GOLDNER: It does?

7 MR. ROBINSON: Yes. I'm looking at the  
8 forecast right now. And we start with the base  
9 price.

10 CHAIRMAN GOLDNER: Okay.

11 MR. ROBINSON: And, then, we're talking  
12 about that adjustment that Mr. Wiesner just  
13 talked about.

14 CHAIRMAN GOLDNER: Okay.

15 MR. ROBINSON: So, in total, for a  
16 forecast price, we have \$87.10.

17 CHAIRMAN GOLDNER: 87.10. For the  
18 upcoming year?

19 MR. ROBINSON: Starting February of  
20 2024, yes. That's what our forecast is based on.  
21 And that 87.10 is based on the base price, as you  
22 mentioned, of 69.80, and then the -- what I'll  
23 call the "adjuster", is \$17.30?

24 CMSR. SIMPSON: Do you have a tab and



1 line that you could reference for us please?

2 MR. ROBINSON: Yes. In the Excel file  
3 that's filed, Commissioner?

4 CMSR. SIMPSON: Yes. We're looking at  
5 that.

6 MR. ROBINSON: It's in a tab called "wp  
7 Burgess Forecast "fcst" November '23 to January  
8 of '25". That's the name of the tab.

9 So, in the lower left-hand corner, if  
10 you right-click, and just scroll down the names  
11 of the worksheets.

12 CMSR. SIMPSON: Yes.  
13 "Wp\_Burgess\_fcst"?

14 MR. ROBINSON: Yes.

15 CMSR. SIMPSON: "November '23"?

16 MR. ROBINSON: Yes.

17 CMSR. SIMPSON: Okay. All the way to  
18 is right?

19 MR. ROBINSON: Yes. Correct. And what  
20 I'm looking at right now is, on Excel Line 85,  
21 starting Excel Column AB, which is the base --  
22 which is the base energy price, dollars per  
23 megawatt-hour.

24 CMSR. SIMPSON: Yes.

1 MR. ROBINSON: And I'm looking at  
2 Column AE, which is what I'll call the "adjuster"  
3 of \$17.30. And, then, Column AF, the sum of the  
4 adjuster, the \$17.30, plus the base price of  
5 69.80, yields the \$87.10 total energy price.

6 CMSR. SIMPSON: This is really helpful.

7 CHAIRMAN GOLDNER: Yes.

8 CMSR. SIMPSON: Thank you.

9 CHAIRMAN GOLDNER: Yes. This is very  
10 helpful. So, this CRF, this "Cumulative  
11 Reduction Fund", which, Attorney Wiesner, I think  
12 you said it was "not actually a fund". So, it's  
13 a bit of a misnomer, right? There's not a pile  
14 of money sitting out there. It's just called a  
15 "Fund". Is that --

16 MR. WIESNER: I think, well, the  
17 "Cumulative Reduction Factor".

18 CHAIRMAN GOLDNER: Is it "Factor"?  
19 Okay.

20 MR. WIESNER: Yes. And that, and I  
21 think the DOE characterized it as an "accounting  
22 mechanism", and I think I would probably agree  
23 with that. It's a tracking measure. And that's  
24 why, and I think Mr. Robinson was alluding to

1           this, that, even while the plant owner is getting  
2           zero dollars for its energy payment, the  
3           Cumulative Reduction may increase, depending on  
4           what's going on in the market, and the actual  
5           value, if you will, at LMPs, to the energy that  
6           the Company is buying from the plant.

7                         CHAIRMAN GOLDNER: Thank you. I think  
8           I'm understanding better.

9                         So, if we -- as we look into the coming  
10          year, the company is going to produce 500  
11          megawatts or so, is that about what you're using?

12                        I know it's capable of more, but  
13          it's --

14                        CMSR. SIMPSON: I think it's  
15          terawatt-hours, 500 terawatt-hours.

16                        CHAIRMAN GOLDNER: Five hundred --  
17          well, it's a 75-megawatt plant.

18                        MR. WIESNER: There's a --

19                        CHAIRMAN GOLDNER: Yes.

20                        CMSR. SIMPSON: I'm sorry.

21                        CHAIRMAN GOLDNER: Go ahead.

22                        MR. ROBINSON: I'll start again.

23          Again, if we look at -- Commissioner Simpson, if  
24          you're still looking at that worksheet?

1 CMSR. SIMPSON: Yes.

2 MR. ROBINSON: If you now go to Excel  
3 Column L, Excel Line 84, you see the forecast  
4 megawatt-hours.

5 CHAIRMAN GOLDNER: So, what's the total  
6 for the year, total megawatt-hours?

7 MR. ROBINSON: For the February through  
8 January timeframe?

9 CHAIRMAN GOLDNER: Yes.

10 MR. ROBINSON: If we just simply add  
11 February through January, in Excel Column L, I  
12 come up with a total of --

13 *[Court reporter interruption.]*

14 MR. ROBINSON: Oh, I'm sorry. 498,863  
15 megawatt-hours.

16 MR. WIESNER: It's worth noting, I  
17 think, that, under the PPA, there is a 500,000  
18 megawatt-hour annual cap on the energy that needs  
19 to be purchased at the contract price. And,  
20 then, above that, there's a different pricing  
21 mechanism that applies.

22 CHAIRMAN GOLDNER: Yes. Yes. Thank  
23 you.

24 So, the \$70.5 million that needs to be

1           paid off by Burgess, before we resume the sort of  
2           normal PPA, that gets reduced by their output,  
3           times \$87.10 a megawatt-hour, correct?

4                           *[No verbal response.]*

5           CHAIRMAN GOLDNER:  So, the reduction is  
6           not really -- it's not based on the ISO-New  
7           England price, which is, today, about \$40 a  
8           megawatt-hour, it's roughly twice that.  So, that  
9           that rate of the 70.5 million being reduced is  
10          the contract rate, and not the ISO-New England  
11          rate?

12                           *[No verbal response.]*

13          CHAIRMAN GOLDNER:  Okay.  So, it will  
14          be reduced much faster.

15                          I'll have to do the math on my own time  
16          to make sure it makes sense to me.

17                          Yes?

18          MR. YOUNG:  So, Mr. Chairman, I think,  
19          just to circle back on I think something that was  
20          had said a little while ago, regarding the checks  
21          distributed by the Company to Burgess, I believe  
22          the Chairman said that there would only be the  
23          two checks, the RECs and the capacity.  But, in  
24          the scenario, which was discussed, I think, that

1 if -- it's my understanding that, if prices did  
2 go up, and Eversource did owe an amount over the  
3 5,883,000, that there would be an additional  
4 check they would cut.

5 And I just wanted to make a  
6 clarification of that.

7 CHAIRMAN GOLDNER: Thank you. Can the  
8 Company confirm that? Because I would think it  
9 would be a cumulative issue, as opposed to a  
10 month-by-month issue. But, to the point of  
11 Attorney Young, that's a good question.

12 *[Court reporter interruption.]*

13 MR. YOUNG: So, I do believe it is a  
14 month-to-month calculation, based on the terms of  
15 the PPA.

16 MR. WIESNER: If there is monthly  
17 billing. I'm not sure I fully understood what  
18 Attorney Young just said, in terms of impacts.

19 CMSR. SIMPSON: Maybe I could try  
20 through a question.

21 If I look at response, PUC 1-003,  
22 Column C and D, the lesser amount of those two is  
23 reflected in the -- both the ECR balance and the  
24 payment, correct?

1 MR. ROBINSON: Correct.

2 CMSR. SIMPSON: So, if the estimated  
3 energy payment, in Column D, were higher than  
4 your amortization schedule, it would be the  
5 figure in your amortization schedule that would  
6 govern on that month, correct?

7 *[Atty. Young indicating in the*  
8 *affirmative.]*

9 CMSR. SIMPSON: Okay. And, --

10 MR. WIESNER: If they produced more  
11 than expected.

12 MR. ROBINSON: Correct.

13 CMSR. SIMPSON: Okay.

14 MR. WIESNER: Then, yes, that's  
15 correct.

16 CMSR. SIMPSON: Thank you.

17 MR. WIESNER: These are all the  
18 estimates. You know, this table, which I found  
19 enormously helpful to get a better handle on how  
20 this all works, these numbers are straight out of  
21 the schedules.

22 CMSR. SIMPSON: Thank you.

23 CHAIRMAN GOLDNER: And, I'm sorry. So,  
24 additional follow-up.

1           So, on Column D, the only way, since  
2           that's already the estimate that's locked into  
3           your plan, the only way that could change is if  
4           the output increased, or could the pricing also  
5           change, on Column D?

6           MS. CHEN: Yes. It's only the output,  
7           because it's the contract price.

8           CHAIRMAN GOLDNER: Okay. So, they  
9           would have a very difficult time, you know,  
10          increasing their output by 50 percent, or  
11          something like.

12          So, Attorney Young, to your point, that  
13          is an excellent clarification. It would require  
14          a significant output difference in order to swamp  
15          the 5,883. But your point is right, which is,  
16          it's possible, if the output increases  
17          accordingly. Thank you.

18          Okay. Let me continue with a line of  
19          questioning here.

20          So, let's move to the REC piece of the  
21          calculation. And I'm going to go back to  
22          YC/EAD-1, Page 6, same table we were looking at  
23          before. And it shows a REC price that averages  
24          about \$61.25 for the year. And I do understand



1 the rollover from prior, so that there's -- it's  
2 not exactly the same number in each time period.

3 I at least was confused, when I read  
4 the PPA, because I couldn't understand why it was  
5 \$61. I read 6.1.2(c) of the PPA to talk about, I  
6 think, 70 percent of the Class I REC price. I  
7 believe \$61 is the Class I REC price. So, I  
8 didn't -- I don't understand why the full ACP is  
9 being paid to Burgess?

10 *[Short pause.]*

11 MS. CHEN: Can I just confirm? Are  
12 you, Chairman, are you wondering why is this  
13 "61.35", and not 81.8? Or, are you -- I'm trying  
14 to understand better.

15 CHAIRMAN GOLDNER: Thank you for the  
16 opportunity to clarify.

17 So, on Line 13, it has numbers ranging  
18 from "61.35" to "60.44". My question is, is that  
19 the PPA, the way I read the PPA, it says that  
20 "Eversource is to apply the ACP", which for Class  
21 I non-thermal REC this fits, but then "Eversource  
22 is to apply a factor of 70 percent" in the PPA,  
23 in 6.1.2 of the PPA.

24 So, I'm not sure why the full ACP is

1 being applied?

2 MS. CHEN: I am not, like, familiar  
3 with the PPA, *per se*. But, if I look at that  
4 same workpaper, the Burgess Forecast, Excel file  
5 paper -- workpaper, it looks like it's 75 percent  
6 of the ACP.

7 CHAIRMAN GOLDNER: And that may be,  
8 there's different time periods that apply, in  
9 Section (c). Where do I find that "70 percent"  
10 or "75 percent"? Where do I see that?

11 MS. CHEN: So, it's the workpaper,  
12 "Burgess Forecast November '23 to January '25"  
13 tab.

14 CHAIRMAN GOLDNER: I'm sorry, which  
15 document are we in?

16 MS. CHEN: Oh. I'm sorry. It's the  
17 Excel file for the SCRC. And it's one of the  
18 Excel tabs.

19 CHAIRMAN GOLDNER: Okay. I'm going to  
20 look at Commissioner Simpson's screen.

21 CMSR. SIMPSON: It's the same --

22 MS. CHEN: It's the same tab, Excel  
23 spreadsheet.

24 CMSR. SIMPSON: And if you could do

1 line and column, please?

2 MS. CHEN: Yes. So, it's Line 85,  
3 Column AH, AI, and AJ. I believe that's what  
4 you're referring to.

5 CHAIRMAN GOLDNER: So, on the Schedule  
6 YC/EAD-1, it looks like you're cutting a check to  
7 Burgess for 25 million, based on 400,000 RECs,  
8 times the \$61 price. So, are you not cutting a  
9 \$25 million check to Burgess? Where does the 75  
10 percent enter in on your schedules here?

11 MR. ROBINSON: In our schedules,  
12 Commissioner, we just reflect the 61.35 price.  
13 That's what we pull from the forecast. That's  
14 the projected dollar per megawatt-hour price per  
15 REC.

16 As far as breaking it down between the  
17 ACP portion, we haven't done that. You know, we  
18 just picked up that net number, the 61.35, in our  
19 forecast.

20 CHAIRMAN GOLDNER: Okay. What I would  
21 like, and this should be a simple calculation,  
22 but, prior to the meeting on Friday -- or, the  
23 hearing Friday, I'd like to understand exactly  
24 how much, based on this forecast, that Eversource

1 will cut checks to Burgess for?

2 So, it looks like on the chart, and my  
3 understanding from our earlier conversation was  
4 that the check would be for 24.5 million, on  
5 Line 14, plus 4.1 million, on Line 9. But it  
6 sounds like that's not quite right. The check  
7 that's being cut to Burgess will be something  
8 less than that.

9 So, I'd like a clarification from the  
10 Company on how much is actually going to Burgess.

11 MR. ROBINSON: I can answer that.

12 CHAIRMAN GOLDNER: Yes.

13 MR. ROBINSON: The checks, the checks,  
14 if you will, the payments for the invoices,  
15 because we get invoiced for the RECs, and we make  
16 a separate payment for the RECs, that payment  
17 will be made to Burgess, again, assuming as long  
18 as they operate.

19 CHAIRMAN GOLDNER: And, so, how much  
20 will those checks be for the February -- the year  
21 beginning February 1st? Because I read YC/EAD-1  
22 to say that the four checks, the total that we're  
23 talking about here, will be 24.5 million.

24 MR. ROBINSON: Yes.

1                   CHAIRMAN GOLDNER: That will be the  
2 checks?

3                   MR. ROBINSON: That's aligned  
4 historically --

5                   CHAIRMAN GOLDNER: Okay.

6                   MR. ROBINSON: -- with what the REC  
7 payments have been for the Burgess contract.

8                   CHAIRMAN GOLDNER: Okay. And, then,  
9 how do I think about the "75 percent"? Where  
10 does that enter into this calculation?

11                   MR. ROBINSON: The 75 percent would be  
12 worked into the billing itself. Because what you  
13 would see on the bill would be the  
14 megawatt-hours, times that 61.35 rate. So, it  
15 would be built in the bill, there's no -- at  
16 least I don't believe, I would have to look at  
17 that bill, to see if it does go through the math  
18 of getting to the 61.35. I believe the bill just  
19 has the end result, the 61.35.

20                   CHAIRMAN GOLDNER: Okay. Maybe I'll  
21 point my next question to Mr. Eckberg and the DOE  
22 team.

23                   So, I believe, I know that the  
24 Department sets the rates for RECs. I'm showing

1 in my table here, from the DOE website, that a  
2 Class I non-thermal REC for 2023, I don't exactly  
3 understand why Burgess would be non-thermal, it  
4 seems like thermal energy, but that appears to be  
5 the category that they're in. And, then, I don't  
6 understand the 75 percent, and how that relates  
7 to the check for 25 million?

8 MR. ECKBERG: Just to be clear, the  
9 Department sets the ACP price for each RPS  
10 category.

11 CHAIRMAN GOLDNER: Thank you.

12 MR. ECKBERG: We don't set the market  
13 price on RECs. We'd be glad to do that, but it's  
14 not -- it's out of the scope of our powers, I  
15 believe.

16 CMSR. SIMPSON: Be a challenge to  
17 market then, wouldn't it?

18 MR. ECKBERG: Yes. So, I believe the  
19 currently published price for 2023 RECs, that is  
20 RECs which are created corresponding to energy  
21 that was produced in 2023, for Class I  
22 non-thermal, is \$61.18, according to the table on  
23 the DOE's website.

24 And this is, in fact, one of the areas

1           that we plan to explore further with the Company  
2           in its -- in our upcoming technical session. As  
3           we mentioned in our technical statement, we do  
4           believe that, generally, the Company is  
5           implementing the PPA terms generally correctly.  
6           But there are still, within that statement, I  
7           think in the conclusion of my technical  
8           statement, I said that "the Department will  
9           continue to review the details of the Company's  
10          filing", which covers these Burgess details, as  
11          well as other SCRC elements.

12                   And, so, this very issue that you're  
13          raising, Mr. Chairman, is one of the issues that  
14          we wanted to explore further with the Company, to  
15          ensure that our understanding, which sounds, on  
16          the face of it, to be similar to your  
17          understanding, about application of a reduction  
18          factor, you might say, of 75 percent, or  
19          70 percent, depending upon which operating year  
20          of the contract we're in. There is sort of a  
21          declining factor that gets applied.

22                   And, so, I would agree with you. This  
23          is a number that needs further exploration. And  
24          we will certainly pursue that further with the

1 Company. And, hopefully, at the time of our  
2 upcoming hearing, one or the other of us will be  
3 able to accurately and provide an explanation to  
4 you about this situation.

5 CHAIRMAN GOLDNER: Thank you. Mr.  
6 Wiesner, before you go, just real quick, a couple  
7 of clarifications for Mr. Eckberg.

8 Would you agree that Burgess is  
9 classified as a "Class I non-thermal REC", is  
10 that the appropriate classification, as opposed  
11 to Class I thermal or Class III?

12 MR. ECKBERG: Yes. That is correct.  
13 Burgess is certified to produce Class I RECs.  
14 Those are RECs that correspond to electrical  
15 energy. Yes, the plant produces its electricity  
16 by use of thermal energy, it burns wood chips to  
17 make steam, which turn turbines and produce  
18 electricity. The thermal RECs are RECs which are  
19 a subcategory of the Class I. Those are actually  
20 thermal energy. There are wood chip boilers,  
21 both residential and commercial-size boilers,  
22 which produce heat. We heat a number of  
23 buildings all around the state with wood energy.  
24 Those could be wood pellets, those could be



1 processed dry chips, they could be wet chips.  
2 But that's the thermal energy, the heat that  
3 heats buildings. Those -- that can be a separate  
4 kind of RECs, which has a separate certification  
5 process for it.

6 CHAIRMAN GOLDNER: Okay.

7 MR. ECKBERG: But these, yes, the  
8 Burgess produces Class I electrical RECs.

9 CHAIRMAN GOLDNER: Thank you. Thank  
10 you. Mr. Wiesner, I think you --

11 MR. WIESNER: I just wanted to muddy  
12 the waters a little further.

13 So, when we speak of the "75 percent",  
14 under the REC pricing payments, REC pricing  
15 provisions of the PPA, it's actually 75 percent  
16 of the defined term "Renewable Products Payment",  
17 which is defined in Section 1.61. And that  
18 references the ACP schedule that was in effect at  
19 the time that the contract was entered into, and  
20 says that the defined term "Renewable Products  
21 Payment" will not be less than that schedule.

22 So, one way to look at that is, the  
23 intent of the contracting parties was to  
24 grandfather the higher ACP, if you will. So, the

1 ACP that you would see the Department of Energy  
2 is setting based on current law is not  
3 necessarily the ACP that is driving this  
4 definition of "Renewables Product Payment". So,  
5 that's why we're seeing 75 percent of 81.80, I  
6 think it is, rather than the current ACP.

7 And, as I sit here today, I don't  
8 recall enough about the history of the Class I  
9 ACP to know, you know, why that number is the  
10 number, and why it is the correct number.

11 But I believe that there was an intent  
12 of the contracting parties, and approved by the  
13 PUC in 2011, to not have the applicable ACP  
14 measure drop below a certain level, regardless of  
15 any subsequent changes in law by the Legislature.

16 CMSR. SIMPSON: That definitely muddies  
17 the water a little bit. I'll dig a little bit  
18 deeper.

19 What we were initially wondering about  
20 was, in the PPA, Section 6.1.2(c), where the New  
21 Hampshire Class I REC terms are articulated,  
22 there are specific sections, I through IV, that  
23 pertain to the defined term of "operating years".  
24 And that operating -- the relevant operating year

1 presumably has an impact on the multiplier for  
2 the REC price. And it would seem that we would  
3 be in one of the subsequent operating years,  
4 confirmation on that would be helpful, that leads  
5 to the multiplier.

6 And, then, I guess the new question  
7 that you've raised for us is, "what is the  
8 applicable ACP that we should be referencing?"

9 So, all good questions, and worthy of  
10 further analysis.

11 CHAIRMAN GOLDNER: Does the Department  
12 have an opinion on the applicable ACP?

13 MR. ECKBERG: To the extent you're  
14 asking for a legal opinion, I would defer to my  
15 attorney. To the extent that you're asking for  
16 an opinion about the dollar value per REC, I  
17 think that we would have to investigate the muddy  
18 waters, which have been stirred up by Attorney  
19 Wiesner, and try and understand the nuances of  
20 the language that are in the approved, amended  
21 PPA, and see if -- see if we eventually agree  
22 with the Company's interpretation, or whether we  
23 disagree.

24 So, I can't give you a direct answer at

1 the moment, I guess.

2 CHAIRMAN GOLDNER: Attorney Young, do  
3 you have a legal opinion on the correct ACP?

4 MR. YOUNG: I think I would echo  
5 Mr. Eckberg's statements, that we will certainly  
6 review this with the Company. But, at this time,  
7 we take no position on that.

8 CHAIRMAN GOLDNER: Okay. Thank you.  
9 Yes, just even the small things, like it's 61.35,  
10 for most of the ACPs, and then the Department has  
11 "61.18" on the website, it just nothing -- we  
12 can't get anything to tie.

13 So, the bigger issue is "75 percent of  
14 what?" is the big issue here. And I think it is  
15 75 percent. But it talks about Operating Years  
16 13 through 17, and so on.

17 What was Operating Year zero? Does  
18 anyone know the answer to that question? What  
19 Operating Year are we in now?

20 I thought it was 2010 was the -- no?

21 MR. ROBINSON: It's just a guess on my  
22 part. I believe we're in Operating Year 11, but  
23 I would have to confirm that. Because, again, I  
24 think -- I believe the first Operating Year was

1 2013.

2 CHAIRMAN GOLDNER: Thirteen, okay.

3 MR. ROBINSON: I think that's when -- I  
4 think that's when the actual production commenced  
5 at the facility.

6 CMSR. SIMPSON: And what Operating Year  
7 would be in for this SCRC?

8 MR. ROBINSON: This SCRC, I think -- I  
9 think the new Operating Year, when I said "I  
10 believe it's Operating Year 11", would be  
11 November 2023 -- I mean, December 2023 to  
12 November 2024.

13 CMSR. SIMPSON: So, we would be in two  
14 Operating Years then?

15 MR. ROBINSON: So, yes. Yes. Exactly.  
16 And that's where Mr. Wiesner tried to explain  
17 that our rate year in the SCRC runs from February  
18 through January, whereas the Operating Years, on  
19 the Burgess PPA contract, are a different fiscal  
20 period.

21 CHAIRMAN GOLDNER: Yes.

22 CMSR. SIMPSON: Thank you.

23 CHAIRMAN GOLDNER: Okay. Well, we'll  
24 await the technical conference, that sounds like

1           it will be enlightening.

2                       But, yes. We would like a  
3           clarification on why the REC payment is for the  
4           full ACP, what appears to be the full ACP, as  
5           opposed to 75 percent, or something of that  
6           number? So, that's a pretty big difference that  
7           we'll talk about on next Friday.

8                       And a question for Mr. Eckberg. Just  
9           for the Commission's situational awareness, what  
10          is the current market price of a Class I  
11          non-thermal REC today, if we were to go try to  
12          buy one?

13                      MR. ECKBERG: I would probably defer to  
14          the Company's experts. I know, in the recent  
15          Energy Service filings that we have had from all  
16          three regulated utilities, there is information  
17          about market prices on RECs. We do have access  
18          to a single information source, which can provide  
19          us with approximately monthly insights into the  
20          market prices for RECs. I have not checked that  
21          for quite some time.

22                      But we could certainly look at it. And  
23          I think the Company could, probably through their  
24          Markets department, also provide insight into

1           what current market prices are.

2                   CHAIRMAN GOLDNER: Do you have any  
3 rough idea of what the market is today for a  
4 Class I REC?

5                   MR. ROBINSON: If you just give me a  
6 second?

7                   CHAIRMAN GOLDNER: Oh, please.

8                   MR. ROBINSON: That would have been,  
9 what Mr. Eckberg is referring to, would have been  
10 included in our recent Energy Service filing.  
11 So, if you can just give me a minute to pull that  
12 up to see. Because, in order to set the RPS  
13 adder, that's where those forecast prices, by  
14 class, are reflected.

15                   CHAIRMAN GOLDNER: Okay.

16                   MR. ROBINSON: So, if you can just bear  
17 with me a moment?

18                   CHAIRMAN GOLDNER: Thank you. Yes.  
19 Please take your time.

20                           *[Short pause.]*

21                   MR. ROBINSON: If you just give me  
22 another moment, I got disconnected.

23                   CHAIRMAN GOLDNER: Take your time.

24                   MR. ROBINSON: So, I apologize.

1           MR. ECKBERG:  If I may, I believe, in  
2           the workpaper, which is part of the large Excel  
3           spreadsheet, which the Company has provided, the  
4           workpaper that we've been looking at numerous  
5           times here this afternoon, with information about  
6           Burgess, there is a column there, Column S, as in  
7           "Stephen", which I believe shows the Class I REC  
8           transfer price, which I believe is the number  
9           that Mr. Robinson --

10          MR. ROBINSON:  Yes.

11          MR. ECKBERG:  -- is looking up.  And  
12          that number here, in the spreadsheet, I believe  
13          is \$38.50.

14          MR. ROBINSON:  Yes.

15          MR. ECKBERG:  So, that is the  
16          Eversource's indication of the Class I market  
17          price, which they would use for figuring out  
18          their RPS adder.

19          MR. ROBINSON:  That's correct.

20          CHAIRMAN GOLDNER:  Thank you.  Thank  
21          you.

22                 So, just to kind of capture the "big  
23          picture" here.  So, the market price for a Class  
24          I REC is something like \$40.  And, at least on



1 the spreadsheet, Burgess is getting \$60. So,  
2 that's a, you know, a premium over the market. A  
3 very similar analysis goes for the capacity,  
4 Burgess is getting around twice the market. And,  
5 then, of course, we've talked about the market  
6 rate versus the contract rate for energy itself,  
7 which is another sort of 50 percent premium.

8 So, by my calculation, Burgess, in a  
9 normal environment, that is an environment where  
10 they're not paying back \$70 million, is getting  
11 about \$110 a megawatt-hour for electricity.

12 So, it just struck me, when reviewing  
13 the docket, how large those numbers were, and how  
14 large the premiums were. So, and it's just in  
15 the spirit of trying to fully understand the  
16 contract.

17 *[Cmsr. Simpson and Atty. Speidel*  
18 *conferring.]*

19 CHAIRMAN GOLDNER: Just have one final  
20 question for the Company, after my colleagues get  
21 things sorted.

22 *[Cmsr. Simpson and Atty. Speidel*  
23 *conferring.]*

24 CHAIRMAN GOLDNER: My final question,

1 before I'll turn it back to Commissioner Simpson  
2 for any follow-up, is just, has the Company made  
3 any kind of a forecast, in terms of when the 70.5  
4 million will be fully paid back to ratepayers per  
5 the PPA?

6 MS. CHEN: So, I'll have to refer back  
7 to that attachment, PUC 1-003, as part of the  
8 data requests, because that's the twelve months  
9 ended November 2024. And, then, if we -- we do  
10 have two more additional months as part of this  
11 filing schedule, which is going to be  
12 December 2024 and January 2025, that can be put  
13 into this table.

14 But, beyond that, we do not have any  
15 information at this point.

16 CHAIRMAN GOLDNER: Okay. I would  
17 encourage the Company, for Friday's hearing, to  
18 understand, when they project the 70 million to  
19 be fully paid back, I think that will be a topic  
20 of interest to the public.

21 All right. Very good. So, let's do  
22 this. Let's take a brief break, so we can  
23 confer, to see if there's anything else that the  
24 Commissioners need to follow up on, or if the

1 parties as well, to just take a brief break, and  
2 return at 25 of, and then wrap things up. Thank  
3 you.

4 (Recess taken at 2:24 p.m., and the  
5 status conference resumed at 2:41 p.m.)

6 CHAIRMAN GOLDNER: So, just a couple of  
7 quick follow-up questions.

8 A question for you, Attorney Wiesner,  
9 or at least the Company. When -- what does  
10 Eversource do with the energy it purchases from  
11 Burgess? Does it -- how does it financialize  
12 that transaction? Does it resell it? Does it  
13 net it against existing load? How is it  
14 financialized?

15 MR. WIESNER: My understanding, and  
16 I'll be corrected, hopefully, if I'm wrong, is  
17 that it is effectively sold into the ISO-New  
18 England market, at LMPs. So, we were almost  
19 simultaneously buying it and selling it, if you  
20 will.

21 CHAIRMAN GOLDNER: Okay. And it's all  
22 a net-zero transaction to the Company, right? I  
23 don't think the Company's making or losing money  
24 on the transaction?

1 MR. WIESNER: No.

2 CHAIRMAN GOLDNER: All right.

3 CMSR. SIMPSON: Just I can't help but  
4 ask. Is that not a sale for resale then?

5 MR. WIESNER: I mean, it's a wholesale  
6 sale, yes. Yes. It's a wholesale purchase and  
7 sale. I mean, there's -- I think it was  
8 recognized that this is a wholesale power  
9 purchase contract that also includes RECs, as  
10 well as energy and capacity, which are products  
11 which are sold through the ISO-New England  
12 regional market.

13 CHAIRMAN GOLDNER: And, then, maybe  
14 just one other sort of request in preparation for  
15 the hearing on Friday.

16 We're still unable to follow the math  
17 on the Part 2 with Burgess, and then the Chapter  
18 340 with Burgess. There's a lot of numbers  
19 moving in and out of spreadsheets, and we can't  
20 track what's going on. So, if the Company could  
21 be prepared with sort of a holistic view. It  
22 looks to us like there's some kind of  
23 carryforward from the prior period that's large,  
24 that is entering the calculus. Then, there's lot

1 of math, where there's a lot of credits going on  
2 in Part 2, and there's a lot of debits going on  
3 in Chapter 340. The net is something like zero,  
4 but it's unfavorable to last year. That's, I  
5 think, the carryforward. So, we're vexed at the  
6 calculation for Burgess, in this time period and  
7 the prior time period.

8 So, to the extent that you can come  
9 prepared with something that helps us understand  
10 what's happening with the Burgess alone, that  
11 would be extremely helpful. We can't follow the  
12 calculations.

13 *[Chairman Goldner and Atty. Speidel*  
14 *conferring, and then Chairman Goldner*  
15 *and Cmsr. Simpson conferring.]*

16 CHAIRMAN GOLDNER: Okay. So, I think,  
17 as we get ready for the hearing on Friday, it's  
18 our -- we would like to be able to go through the  
19 entire SCRC, make sure that we understand what's  
20 going on, and ultimately approve it. If we  
21 struggle with the complexity of the arrangement  
22 with Burgess, we may have to move forward with  
23 something on a provisional basis. We just  
24 need -- we have to be able to understand the

1           calculations.

2                       So, the Commission will note in this  
3 status conference that the "provisional" basis is  
4 a possibility in the hearing for next week. And,  
5 if that does come to pass, we'll, of course,  
6 issue a Supplemental Order of Notice, and target  
7 a hearing in February, to wrap this up as quickly  
8 as possible.

9                       So, we do, Commissioner Simpson and I,  
10 both feel like we made considerable progress  
11 today. And we appreciate everyone, everyone here  
12 today, in terms of helping us understand. This  
13 is a considerable improvement over where we were  
14 a couple of hours ago.

15                      I'll just pause here, and see if  
16 there's anything else that the parties would like  
17 to discuss today?

18                               *[Atty. Young indicating in the*  
19                               *negative.]*

20                      CHAIRMAN GOLDNER: Okay. All right.  
21 Seeing none. So, we'll conclude today's status  
22 conference. We thank the Company, the Department  
23 of Energy, and the OCA for their participation  
24 today and answers to our questions.

1                   We have nothing further, and the status  
2 conference is adjourned. Thank you.

3                   ***(Whereupon the status conference was***  
4                   ***adjourned at 2:46 p.m.)***

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