STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: August 10, 2009
AT (OFFICE): NHPUC

FROM: Maureen L. Reno MLR
Utility Analyst III

SUBJECT: DE 09-125, Mosby G. Perrow on behalf of Sheldon Energy LLC
Certification Application for Class I Eligibility of the High Sheldon
Wind Energy Center Facility Pursuant to RSA 362-F
Staff Recommendation

TO: Chairman Thomas B. Getz
Commissioner Clifton C. Below
Debra A. Howland, Executive Director and Secretary

CC: Jack K. Ruderman, Director of the Sustainable Energy Division
Suzanne Amidon, Staff Attorney

Summary

On July 6, 2009, Mosby G. Perrow of Jones Day submitted an application on behalf of Sheldon Energy LLC (Sheldon) requesting the Commission grant approval of the High Sheldon Wind Energy Center facility (High Sheldon facility) to produce Class I renewable energy certificates (RECs) pursuant to RSA 362-F, New Hampshire's Electric Renewable Portfolio Standard law. Pursuant to RSA 362-F:4, I, Class I eligibility requires a facility to have begun the production of electricity after January 1, 2006 and to use certain sources to produce electricity, one of which is wind energy.

Pursuant to RSA 362-F, the Commission, in a non-adjudicative process, must issue a determination of whether a facility meets a particular classification within 45 days of a completed application. The High Sheldon facility application was completed on July 13, 2009. The High Sheldon facility meets the Class I eligibility requirements under RSA 362-F:4, I. The applicant has complied with the N. H. Code Admin. Rule Puc 2500 and has provided all the necessary information. Based on its review of the application, Staff recommends that the Commission approve the High Sheldon facility as eligible for Class I RECs effective July 13, 2009.

Analysis

The High Sheldon facility is a 112.5 megawatt (MW) wind energy plant with 75 General Electric, Model SLE, 1.5 MW wind turbines. The facility began commercial operation on March 13, 2009 and is located at 2363 North Sheldon Road, Strykersville, New York. The NEPOOL generation information system (GIS) facility code has not yet been obtained. The applicant will provide the NEPOOL GIS facility code to the Commission as soon as it is obtained from the GIS administrator.

Pursuant to Puc 2505.02 (b) (8), the applicant must submit proof that it has "an approved interconnection study on file with the commission, is a party to a currently effective interconnection agreement, or is otherwise not required to undertake an interconnection study." The applicant submitted and Staff verified an interconnection agreement with New York State Electric & Gas Corporation effective October 12, 2008.[1]

The applicant also filed a motion for confidential treatment of Sheldon's Purchase and Sale Agreement for Contract Renewable Energy Credits between Sheldon and NextEra Energy Power Marketing, LLC (NextEra) (REC Agreement), which was filed as Exhibit 1 of the application. The applicant requested the Commission treat the REC Agreement as confidential pursuant to RSA 91-A:5 and Puc 203.08. RSA 91-A:5 states that New Hampshire exempts from public disclosure certain "confidential, commercial, or financial information." The applicant stated that the REC Agreement contains commercially sensitive information such as the price and quantity of RECs sold under the agreement. Staff agrees that the REC Agreement contains commercially sensitive information that, if publicly disclosed, could harm the competitive position of the signatories to the agreement and, as a result, recommends the Commission grant the applicant's request.

Pursuant to Puc 2505.02 (b) (11), the applicant shall include a statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standard and proof thereof. The High Sheldon facility has been certified in Maine as a Class I new renewable resource.

The High Sheldon facility is located in New York, which is a control area adjacent to the New England control area. Therefore, the facility geographically qualifies to import power into the New England control area pursuant to the NEPOOL GIS Operating Rules 2.7(c). Pursuant to Puc 2504.01(a) (2), a facility in an adjacent control area may be eligible to produce renewable energy certificates provided that the electricity is delivered into the New England control area and such delivery is verified by submitting to the Commission the following:

[1] The copy of the interconnection agreement that was submitted with the application contained no signatures. In response to Staff's request, the applicant submitted the signed signatory pages on July 13, 2009.

a) Documentation of a unit-specific bilateral contract that is executed between the source owner, operator, or authorized agent and an electric energy purchaser located within the New England control area;
b) Proof of associated transmission rights for delivery of the source's electricity to the New England control area;
c) Documentation that the electricity delivered was settled in the ISO-New England wholesale market system;
d) Documentation that the source produced the amount of megawatt-hours claimed per hour, as verified by the GIS administrator; and
e) Confirmation that the electricity delivered received a North American Electric Reliability Corporation tag from the originating control area to the New England control area.

The applicant will initially be required to provide to the Commission documentation of a unit-specific contract, item (a), and resubmit such documentation when substantial changes are made. Additionally, the applicant will be required to provide to the Commission on a quarterly basis items (b) through (e) to receive Class I RECs associated with electricity imported into the New England control area.

Recommendation

Staff has reviewed the High Sheldon facility application and can affirm it is complete pursuant to N. H. Code Admin. Rule Puc 2500. Staff recommends that the Commission certify the High Sheldon facility as being eligible for Class I RECs effective July 13, 2009, the date on which Staff was able to make a determination that the facility met the requirements for certification as a Class I renewable energy source.