

STATE OF NEW HAMPSHIRE

Intra-Department Communication

DATE: March 24, 2010

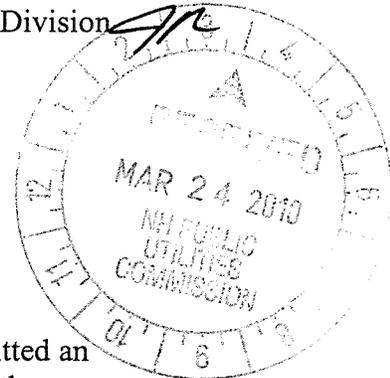
AT (OFFICE): NHPUC

FROM: Maureen L. Reno *MLR*
Utility Analyst III

SUBJECT: Staff Recommendation Re: DE 10-039, Conservation Services Group on behalf of Innovative Energy Systems, LLC; Certification Application for Class I Eligibility of the Chautauqua Landfill Methane Gas Facility Pursuant to RSA 362-F

TO: Chairman Thomas B. Getz
Commissioner Clifton C. Below
Commissioner Amy L. Ignatius
Debra A. Howland, Executive Director

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



Summary

On February 19, 2010, Conservation Services Group (CSG) submitted an application on behalf of Innovative Energy Systems, LLC requesting that the Commission grant approval of the Chautauqua landfill methane gas facility (Chautauqua 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 begin operation after January 1, 2006 and to use certain sources to produce electricity, one of which is methane gas.

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 receipt of a completed application. The Chautauqua facility application was completed on February 19, 2010. The Chautauqua facility meets the Class I eligibility requirements under RSA 362-F:4, I. CSG has complied with the N. H. Code of Admin. Rules Puc 2505.02 and has provided all the necessary information. Based on its review of the application, Staff recommends that the Commission approve the Chautauqua facility as eligible for Class I RECs effective February 19, 2010.

Analysis

The Chautauqua facility is a landfill methane gas facility, has a gross nameplate capacity of 6.4 megawatts and began commercial operation on February 15, 2010. The facility is located at 3889 Towerville Road, Jamestown, New York. The facility does not have a NEPOOL asset identification number or a generation information system (GIS) facility code because they have yet to be assigned. The applicant will provide these codes to the Commission as soon as they are obtained from NEPOOL and 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 Niagara Mohawk Power Corporation, a subsidiary of National Grid, signed December 17, 2009.

Pursuant to Puc 2505.02 (b) (11), the applicant must indicate whether the facility has been certified under another non-federal jurisdiction’s renewable portfolio standard and furnish proof thereof. On April 6, 2009, the facility received certification as a Maine Class I New Renewable Resource.

The Chautauqua 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:

- 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), for the facility 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 Chautauqua facility application and can affirm that it is complete pursuant to N. H. Code of Admin. Rules Puc 2505.02. Staff recommends that the Commission certify the Chautauqua facility as being eligible for Class I RECs effective February 19, 2010.