

STATE OF NEW HAMPSHIRE

Intra-Department Communication

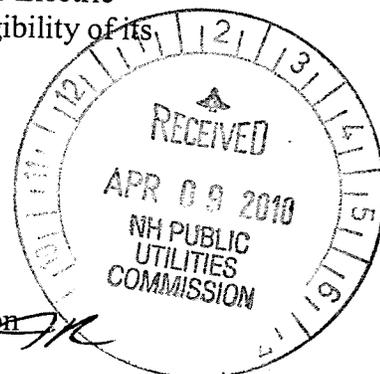
DATE: April 9, 2010
AT (OFFICE): NHPUC

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

SUBJECT: Staff Recommendation Re: DE 10-060, New Hampshire Electric Cooperative, Inc.'s Request for Class I and Class II Eligibility of its Aggregated Customer-Sited Sources

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

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



Summary

On March 19, 2010, the New Hampshire Electric Cooperative, Inc. (NHEC) submitted a letter to the Commission requesting certification of two NHEC aggregations - a wind power source aggregation, (NHEC Class I Aggregation), and a photovoltaic source aggregation, (NHEC Class II Aggregation) pursuant to New Hampshire's Electric Renewable Portfolio Standard (RPS) law. The two aggregations represent all of NHEC's customer-sited wind power and photovoltaic facilities that have previously been certified to produce New Hampshire Class I or Class II RECs. In addition, in its March 19, 2010 letter and in a letter filed on March 29, 2010, NHEC specifically seeks the Commission's acknowledgement and approval that this action is consistent with the Puc 2500 rules governing RPS compliance.

Should the Commission approve this request, the New England Power Pool (NEPOOL) generation information system (GIS) would recognize each aggregation as a single generator and issue RECs for each aggregations' total monthly output. Because the aggregation of multiple customer-sited sources is permitted by the N.H. Code of Administrative Rules Puc 2506 and the NEPOOL GIS, which is used to implement New Hampshire's RPS program, Staff recommends the Commission grant NHEC's request. Staff asks that the Commission approve this request before April 10, 2010, the NEPOOL GIS deadline for reporting fourth quarter 2009 electricity production from customer-sited and behind-the-meter sources.

Analysis

The NHEC Class I Aggregation includes five customer-sited wind power facilities with a total installed capacity of 19.8 kilowatts that produced two RECs in 2009. The NHEC Class II Aggregation consists of 37 customer-sited photovoltaic facilities with a total installed capacity of approximately 98.4 kilowatts that produced five RECs in 2009. These facilities' output is verified and reported to the NEPOOL GIS by NHEC, which received independent monitor status by the Commission on May 12, 2009 in DE 09-006, and have previously been determined to be eligible to produce Class I or Class II RECs pursuant to the RPS statute. Each facility's New Hampshire certification code and effective date to produce Class I or Class II RECs is listed in Appendix A.

Staff supports NHEC's request for aggregation of its customer-sited wind power and photovoltaic facilities because the aggregations comply with Puc 2506.01 (c). Puc 2506.01 (c) states that an aggregator may aggregate fractional or whole certificates if the associated generation facilities use the same energy resource and technology, the sources are otherwise eligible to acquire certificates, and the sources' associated energy was produced in the same calendar year.

NHEC also asked that the Commission acknowledge and approve NHEC's proposal to aggregate the referenced customer-sited sources as being consistent with NHEC's authority as an independent monitor and an electric distribution utility pursuant to the Puc 2500 rules. As noted above, the Commission has previously found that NHEC can operate as an independent monitor for purposes of monitoring the production of its customers' eligible customer-sited sources. NHEC did not apply for aggregator status, but, as an electric service provider, it is not required to apply for such status to aggregate fractional RECs. Puc 2506.01 states that "[a] person not otherwise qualified to obtain RECs as a provider of electricity" may qualify to aggregate fractional RECs by registering as an aggregator pursuant to Puc 2506. Therefore, the rules require third parties who are not required to purchase RECs to register with the Commission before aggregating fractional RECs. Because NHEC is a provider of electricity who must obtain RECs pursuant to RSA 362-F, it does not have to apply for aggregator status to aggregate the fractional RECs in its franchise area, and therefore its proposed action is within its authority as an independent monitor and an electric distribution utility. Staff recommends that the Commission acknowledge NHEC's authority to aggregate fractional RECs as it proposes with respect to the customer-sited sources previously certified by the Commission as eligible to produce RECs.

The NHEC aggregations would also comply with the NEPOOL GIS Operation Rules. Pursuant to the NEPOOL GIS Operating Rules 2.1 (a) (vi) and (c), multiple facilities represented by the same Non-NEPOOL generator representative may elect to be treated as a single GIS generator provided: 1) the aggregation has a total nameplate capacity of less than five megawatts; 2) all the facilities generate electricity from the same type of source; and 3) the facilities are located in the same state. If the Commission were to approve NHEC's request, NHEC would then apply for a GIS facility code for each aggregation, which would allow NHEC to report the total monthly output of each

aggregation in lieu of reporting output for each facility, thereby reducing administrative costs and avoiding lost RECs.¹

To ensure that NHEC does not receive Class I or Class II RECs from facilities not yet approved by the Commission, NHEC proposes to submit to the Commission a quarterly aggregation report 60 days after each quarter. On January 28, 2010, NHEC submitted such a report for fourth quarter 2009 in compliance with Puc 2505.09 (h) (3).

Recommendation

Staff has reviewed NHEC’s request that the Commission certify the NHEC Class I Aggregation and the NHEC Class II Aggregation as eligible to produce Class I and Class II RECs, respectively. Staff recommends that the Commission grant NHEC’s request before April 10, 2009, the NEPOOL GIS deadline for reporting fourth quarter 2009 output. Finally, Staff recommends that the Commission acknowledge that NHEC has authority to aggregate fractional RECs produced by certified customer-sited sources in its franchise area because NHEC has been certified as an independent monitor and is an electric distribution utility which has RPS compliance obligations pursuant to RSA 362-F.

Appendix A: NHEC Class I and Class II Aggregations

| NHEC Class I Aggregation (Wind) | | | | |
|--|--------------------------------|---------------------------------------|--|-------------------------------------|
| Docket | NH Certification Code # | Effective Date to Produce RECs | Total Gross Nameplate Capacity (kW) | RECs Produced in 2009 (MWh)* |
| 09-130 | NH-I-09-029 | July 17, 2009 | 10.00 | 0.93 |
| 09-181 | NH-I-09-046 | September 21, 2009 | 2.40 | 0.45 |
| 09-183 | NH-I-09-047 | September 21, 2009 | 2.60 | |
| 09-220 | NH-I-09-055 | November 9, 2009 | 2.40 | 0.15 |
| 09-221 | NH-I-09-056 | November 9, 2009 | 2.40 | 0.80 |
| Total kW | | | 19.80 | 2.33 |
| Number of facilities | | | 5 | |
| NHEC Class II Aggregation (PV) | | | | |
| 09-148 | NH-II-09-039 | August 17, 2009 | 3.60 | |
| 09-176 | NH-II-09-043 | September 21, 2009 | 4.41 | 0.91 |
| 09-182 | NH-II-09-044 | September 21, 2009 | 2.00 | 0.40 |
| 09-187 | NH-II-09-045 | September 21, 2009 | 2.43 | 0.50 |
| 09-217 | NH-II-09-052 | November 9, 2009 | 1.36 | 0.06 |
| 09-218 | NH-II-09-053 | November 9, 2009 | 4.90 | 0.71 |
| 09-219 | NH-II-09-054 | November 9, 2009 | 2.10 | 0.43 |
| 09-243 | NH-II-09-063 | November 30, 2009 | 3.10 | 0.19 |

¹ Because the GIS rounds down to the nearest megawatt-hour, NHEC would reduce the amount of lost kilowatt-hours, and the resulting RECs, by reporting the output for each aggregation.

| | | | | |
|-----------------------------|--------------|-------------------|--------------|-------------|
| 09-244 | NH-II-09-064 | November 30, 2009 | 3.28 | 0.22 |
| 09-245 | NH-II-09-065 | November 30, 2009 | 3.36 | 0.25 |
| 09-246 | NH-II-09-066 | November 30, 2009 | 2.28 | 0.14 |
| 09-247 | NH-II-09-067 | November 30, 2009 | 3.28 | 0.27 |
| 09-250 | NH-II-10-002 | December 7, 2009 | 3.60 | 0.24 |
| 09-251 | NH-II-10-003 | December 7, 2009 | 1.60 | 0.08 |
| 09-252 | NH-II-10-004 | December 7, 2009 | 3.90 | 0.30 |
| 09-253 | NH-II-10-005 | December 7, 2009 | 2.00 | 0.10 |
| 09-254 | NH-II-10-006 | December 7, 2009 | 2.05 | 0.07 |
| 09-256 | NH-II-10-007 | December 11, 2009 | 2.10 | 0.06 |
| 09-257 | NH-II-10-008 | December 11, 2009 | 2.40 | 0.13 |
| 09-258 | NH-II-10-009 | December 11, 2009 | 2.38 | 0.20 |
| 09-259 | NH-II-10-010 | December 11, 2009 | 2.10 | 0.10 |
| 09-268 | NH-II-10-011 | December 21, 2009 | 4.10 | . |
| 09-271 | NH-II-10-012 | December 21, 2009 | 1.50 | . |
| 09-272 | NH-II-10-013 | December 21, 2009 | 2.05 | . |
| 09-273 | NH-II-10-014 | December 21, 2009 | 4.30 | . |
| 09-278 | NH-II-10-015 | December 23, 2009 | 2.64 | . |
| 09-279 | NH-II-10-016 | December 23, 2009 | 2.10 | . |
| 09-280 | NH-II-10-017 | December 23, 2009 | 2.73 | . |
| 09-281 | NH-II-10-018 | December 23, 2009 | 4.60 | . |
| 09-282 | NH-II-10-019 | December 23, 2009 | 2.40 | . |
| 09-283 | NH-II-10-020 | December 23, 2009 | 2.10 | . |
| 09-284 | NH-II-10-021 | December 23, 2009 | 2.05 | . |
| 09-285 | NH-II-10-022 | December 23, 2009 | 2.16 | . |
| 09-286 | NH-II-10-023 | December 23, 2009 | 2.10 | . |
| 09-287 | NH-II-10-024 | December 23, 2009 | 2.20 | . |
| 09-260 | NH-II-10-025 | December 11, 2009 | 3.00 | 0.54 |
| 09-269 | NH-II-10-026 | December 21, 2009 | 0.16 | . |
| Total kW | | | 98.42 | 5.85 |
| Number of facilities | | | 37 | |

*The NEPOOL-GIS will only create RECs in MWh and, as a result, it requires aggregators to report meter data in whole MWhs.