

STATE OF NEW HAMPSHIRE

Intra-Department Communication

DATE: April 30, 2013
AT (OFFICE): NHPUC

FROM: Barbara Bernstein 
Sustainable Energy Analyst

SUBJECT: Capital Power Corporation's Request for Recognition of Class IV Renewable Energy Certificates (RECs) Intended for Banking in Quarter Two 2012 for American Hydro-Upper Peterborough Hydro (DE 12-239) and American Hydro-Lower Peterborough Hydro (DE 12-240)
Staff Recommends Approval

TO: Chairman Amy L. Ignatius
Commissioner Robert R. Scott
Commissioner Michael Harrington
Debra A. Howland, Executive Director and Secretary

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

Analysis

On April 29, 2013, the Commission received a letter from Andrew Hall, Capital Power Corporation, (Capital Power) requesting that the Commission accept eighty-eight (88) RECs from the unsettled account in the NEPOOL GIS that were generated by the American Hydro-Upper Peterborough (Upper Peterborough) and the American Hydro-Lower Peterborough (Lower Peterborough) hydroelectric facilities.¹ The second quarter (Q2) transfer period closed before the RECs could be transferred to the correct account which allows for proper banking.

Mr. Hall's letter states that there was a lack of understanding of how the NEPOOL GIS account carries forward the RECs from one quarter to the next. It was Capital Power's assumption that RECs generated in a calendar year would be automatically banked forward until sold or retired, once delivery was confirmed in the system. This caused the RECs to be retired towards the Residual Mix.² To resolve this discrepancy, the Commission has the authority to issue a secretarial letter approving the reinstatement of these RECs back into the Upper Peterborough and Lower Peterborough Hydro facilities' banked account. This will enable the RECs in question to be transferred

¹ The Commission certified the Upper Peterborough and Lower Peterborough hydro facilities as eligible to produce Class II RECs on July 27, 2012.

² Information from the NEPOOL GIS database was provided to verify the unbanked RECs.

during the 2012 trading period even though the NEPOOL GIS does not currently display them as NH RPS eligible.

The GIS Administrator submitted the following table that provides a summary of the RECs in question:

Quarter	Month of Generation	NH Certification #	Unit ID	Unit Name	Fuel Type	Certificate Numbers	Number	NH Class
2	2012/Aug	NH-IV-12-052	MSS926	Upper Peterborough	Hydro	353122 – 1 to 20	20	IV
2	2012/Sept	NH-IV-12-052	MSS926	Upper Peterborough	Hydro	353123 – 1 to 31	31	IV
2	2012/Aug	NH-IV-12-053	MSS941	Lower Peterborough	Hydro	356972 – 1 to 17	17	IV
2	2012/Sept	NH-IV-12-053	MSS941	Lower Peterborough	Hydro	356973 – 1 to 20	20	IV

Staff Recommendation

Staff recommends that the Commission grant Capital Power’s request and issue a secretarial letter stating that even though the NEPOOL GIS does not display their Q2, August and September, 2012 RECs as NH RPS eligible, the NH PUC will still accept them for RPS compliance when the end user retires them at the end of the year. Staff recommends the secretarial letter request the following:

- A notarized statement by the Authorized Representative of Capital Power, attesting that the GIS certificates listed in the statement have not otherwise been, nor will be, sold, retired, claimed, used, or represented as part of electrical energy output or sales, or used to satisfy obligations, in jurisdictions other than New Hampshire;
- That a notarized statement and a copy of the secretarial letter shall be provided to the Retail Electricity Supplier to which the certificates are transferred; and,
- That the Supplier shall submit a copy of the notarized statement and the secretarial letter to the Commission as part of its 2012 RPS Class II annual compliance filing.

In addition, staff recommends the Commission note that this decision regarding the 2012 Q2 certificates shall not be regarded as establishing a precedent, and the Commission may deny any similar Capital Power request for a waiver in the future.

Staff finds that Capital Power’s error was inadvertent, and that correcting the mistake will not adversely affect the RPS program. Further, Staff finds that it is in the best interest of the RPS that the certificates at issue be honored for 2012 RPS Class IV compliance.