

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: September 06, 2013

AT (OFFICE): NHPUC

FROM: Barbara Bernstein *BB*
Sustainable Energy Analyst

SUBJECT: **DE 13-214**, Eligibility Request Ice House Partners, Inc. for the Ice House Partners' Hydroelectric Project to Produce Class I, New Hampshire Renewable Energy Certificates (RECs), Pursuant to RSA 362-F
Staff Recommends that Eligibility be Granted

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

CC: Jack K. Ruderman, Director of the Sustainable Energy Division *JR*
David K. Wiesner, Staff Attorney

Summary

On July 22, 2013, the Commission received an application from William P. Short, III on behalf of Ice House Partners, Inc. (Ice House Partners) requesting Class I certification for the Ice House Partners' 0.280 megawatt (MW) hydroelectric project (Ice House Project) pursuant to RSA 362-F:4 New Hampshire's Renewable Portfolio Standard law. Staff has reviewed the Ice House Partners' certification request and has determined that it meets the eligibility requirements under RSA 362-F:4, I(i), as a Class I hydro facility for the incremental new production of electricity over its historical generation baseline and complies with the New Hampshire Code of Administrative Rules Puc 2500. Staff has determined that the application was complete as submitted¹ and recommends Commission approval for the Ice House Project as a Class I renewable energy source effective July 22, 2013.

Analysis

To qualify as a facility eligible to produce RECs, Puc 2505.02 (b) requires the source to provide the following:

- 1) *The name and address of the applicant:* The application was filed by William P. Short III, 44 West 62nd Street, PO Box 237173, New York, NY on behalf of Ice House Partners, Inc., 323 West Main Street, Ayer, MA.

¹ Mr. Short provided detailed information to demonstrate the completion of capital investments in a separate letter to the Commission received August 19, 2013, and requested confidential treatment for this commercially sensitive information.

- 2) *The name and location of the facility:* The Ice House Project is located on the Nashua River in Ayer, MA.
- 3) *The ISO-New England asset identification number (if available).* The facility's ISO New England asset identification number is 14932.
- 4) *The GIS facility code if available.* The NEPOOL-GIS facility code for the Ice House Project has been verified as MSS 14932.
- 5) *A description of the facility including fuel type, gross nameplate generation capacity, the initial commercial operation date, and the date it began operation, if different.*
The Ice House dam was originally built in the 1790s and had previously been used to run trolley cars as well as ice-making machinery. During the 1970s the powerhouse was destroyed by fire and the Ice House Project did not begin operation again until March 08, 2012. The Ice House Project includes a 190-foot long, 12-foot high dam and spillway topped with 24-inch high weir boards that impound a 137-acre reservoir and other appurtenances.
- 6) *(N/A – pertains to biomass sources).*
- 7) *All other necessary regulatory approvals, including any reviews, approvals or permits granted by the department.* An Order Granting Exemption From Licensing, FERC Project Number 12769-000, was provided for the Ice House Project; therefore, the facility is in compliance with applicable FERC requirements including those related to fish passage restoration.
- 8) *Proof that the applicant either 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.* A copy of the Interconnection Service Agreement between Massachusetts Electric Company and Ice House Partners, Inc. dated October 14, 2011 was provided.
- 9) *(N/A – pertains to biomass sources).*
- 10) *A description of how the generation facility is connected to the distribution utility.*
The Ice House Project's electrical generation equipment is interconnected to Massachusetts Electric Company's distribution line that runs along West Main Street in Ayer, MA and then on to the electric distribution system.
- 11) *A statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standard and proof thereof.* The Ice House Project is qualified as a Massachusetts Class I Renewable Generation Unit, a Rhode Island New, Small Hydro Renewable Energy Resource, and a Maine Class I New Renewable Resource.

- 12) *A statement as to whether the facility's output has been verified by ISO New England.*
The facility's output has been verified by ISO New England and the facility is listed in the GIS database.
- 13) *A description of how the facility's output is reported to the GIS if not verified by ISO-New England.* Not applicable.
- 14) *An affidavit by the owner attesting to the accuracy of the contents of the application.*
An affidavit signed by Liisa Grady Marino, Vice President, Ice House Partners was provided with the application.
- 15) *The name and telephone number of the facility's operator, if different from the owner.* The facility operator is Ice House Partners, Inc., 323 West Main Street, Ayer, MA 01432; the telephone number is 978-772-3303.
- 16) *Such other information as the applicant wishes to provide to assist in classification of the generating facility.* Pursuant to RSA 362-F:4, I, Class I sources must have begun operation after January 1, 2006; the Ice House Project began operation in March 2012. In addition, pursuant to RSA 362-F:4, I(i), hydroelectric generating facilities licensed or exempted by FERC, regardless of gross nameplate capacity, are eligible Class I sources provided the Commission certifies demonstrable completion of capital investments attributable to efficiency improvements, additions of capacity, or increased renewable energy output that are sufficient to, were intended to, and can be demonstrated to increase annual renewable electricity output over the historical generation baseline. The determination of incremental production shall not be based on any operational changes at such facility but rather on capital investments in efficiency improvements or additions of capacity.

The Ice House Project Partners provided documentation to demonstrate a 100 percent increase in annual renewable electricity output since the dam was not in service for twenty years prior to the capital investments made to the Ice House Project.² Capital investments included the construction of a completely new powerhouse with new turbines as well as extensive improvements to the dam structure.

Recommendation

Staff has reviewed the Ice House Partners application for Class I certification and can affirm it is complete pursuant to New Hampshire Code of Administrative Rules Puc 2500. Staff recommends that the Commission certify the Ice House Project as a Class I renewable energy source effective as of July 22, 2013.

² Ice House Partners requested confidential treatment of the information submitted on the total capital expenditures, and Staff recommends that this request be granted.