

STATE OF NEW HAMPSHIRE

Intra-Department Communication

DATE: July 17, 2014

AT (OFFICE): NHPUC

NHPUC 21 JUL '14 AM 10:32

FROM: Barbara Bernstein *BB*
Sustainable Energy Analyst

SUBJECT: DE 13-216, David Gould's, Inc.'s Request for Recognition of Class II Renewable Energy Certificates (RECs) Intended for Banking in June, July, August and September 2013
Staff Recommends Commission Approval for August and September RECs and Denial for June and July RECs

TO: Chairman Amy L. Ignatius
Commissioner Robert R. Scott
Commissioner Martin P. Honigberg
Debra A. Howland, Executive Director and Secretary

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

Summary

On July 16, 2014, the Commission received a hardcopy of an e-mail from David Gould requesting that the Commission approve reinstatement of 13 renewable energy certificates (RECs) generated during 2013 by his residential solar photovoltaic array (PV), so that these RECs can be transferred and banked to meet future renewable portfolio standard (RPS) compliance obligations. Mr. Gould owns and operates a PV facility named "Pennacook," which is located at 81 Hall's Mill Road in Candia, New Hampshire (Gould-Pennacook). The Commission approved the Gould-Pennacook PV facility as a Class II renewable energy source, effective as of July 25, 2013. Mr. Gould inadvertently failed to transfer these RECs through the NEPOOL-GIS system prior to the applicable trading deadlines. Staff recommends that the Commission approve reinstatement of the seven Class II RECs generated by the Gould-Pennacook PV facility for the months of August and September 2013, but deny reinstatement for the six June and July 2013 RECs because these RECs were created prior to the effective date of the Commission's eligibility certification of the facility.

Analysis

Mr. Gould maintains that he was unaware of the applicable NEPOOL-GIS trading deadlines, due to his relative inexperience with the REC markets, and as a result failed to act prior to these deadlines to transfer ownership of the 13 RECs generated by the Gould-

Pennacook PV facility during the second and third calendar quarters of 2013.¹ This failure resulted in the retirement of these RECs towards the Residual Mix.² To resolve this discrepancy, the Commission has the authority to approve reinstatement of eligible Class II RECs back into the Gould-Pennacook account. This action would effectively permit the RECs in question to be transferred and banked to meet future RPS compliance obligations.

The New Hampshire certification for the Gould-Pennacook facility is NH-II-13-081, and the NEPOOL-GIS facility code is N0N37975. The NEPOOL-GIS administrator submitted the information presented in the following table, which summarizes the status of RECs generated by the Gould-Pennacook PV facility during June-September 2013:

Quarter Generated	Month of Generation	Trading Period	Certificate Numbers	Status	Quantity
Q2	6-2013	10-15-13 – 12-15-13	384440 – 1 to 3	ineligible	3
Q3	7-2013	1-15-14 – 3-15-14	396500 – 1 to 3	ineligible	3
Q3	8-2013	1-15-14 – 3-15-14	396502 – 1 to 4	eligible	4
Q3	9-2013	1-15-14 – 3-15-14	396501 – 1 to 3	eligible	3

Staff notes that the GIS certificates created for June and July 2013 were designated as “ineligible” because the effective date of the Commission’s certification of the Gould-Pennacook PV facility as a Class II eligible renewable energy source was July 25, 2013. Because the NEPOOL-GIS system does not track daily generation, the practice has been to “round up” to the next month, meaning that certificates created with a vintage earlier than August 1, 2013 would not be eligible as Class II RECs. Therefore, Staff believes that the six RECs generated in June and July 2013 are not eligible for reinstatement as Class II RECs.

Staff Recommendation

Staff believes that Mr. Gould’s error was inadvertent and that correcting this mistake by approving reinstatement of the RECs would not adversely affect the RPS program. Staff has concluded it would be in the best interests of the RPS program that reinstatement of the eligible Class II RECs be approved. Staff recommends that the Commission approve reinstatement of the seven Class II RECs generated by the Gould-Pennacook PV facility during August and September 2013. Because the six GIS certificates created with respect to Gould-Pennacook generation during June and July 2013 are not eligible Class II RECs, Staff recommends that the Commission deny reinstatement of these six RECs.

Staff recommends that a secretarial letter approving reinstatement of the August and September 2013 RECs state that the Commission would recognize and accept these RECs for future RPS compliance, provided that the electricity provider claiming them for compliance has submitted the following documentation:

¹ For example, the generation period for the third quarter of 2013 includes July 1 through September 30, 2013, and the trading period for RECs generated during this quarter was January 15 through March 15, 2014.

² The NEPOOL-GIS Administrator verified the unbanked RECs.

- a notarized statement by David Gould attesting that the NEPOOL-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 any jurisdiction(s) other than New Hampshire;
- a copy of the Commission's secretarial letter approving reinstatement of the seven Class II RECs; and
- an amended E-2500 Report filed by the provider for the 2013 RPS compliance year listing the seven Class II RECs as banked for future use, which amended Report has been accepted by the Commission.

Staff further recommends that the Commission advise Mr. Gould that approval of reinstatement of the 2013 RECs should not be regarded as establishing a precedent, and that the Commission may deny any similar request by Mr. Gould in the future.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**