

THE STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

21 S. Fruit Street, Suite 10

Concord, N.H. 03301-2429

CHAIRMAN
Amy L. Ignatius

COMMISSIONERS
Robert R. Scott
Martin P. Honigberg

EXECUTIVE DIRECTOR
Debra A. Howland

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX (603) 271-3878

Website:
www.puc.nh.gov

July 31, 2014

Mark Lombardi
Facilities Production Manager
Monadnock Paper Mills, Inc.
117 Antrim Road
Bennington, NH 03442-4205

Re: DE 13-318, Monadnock Paper Mills, Inc.
Application for Certification of Monadnock Dam Station Hydroelectric Facility as a
Class I REC Eligible Facility

Dear Mr. Lombardi:

On November 7, 2013, the Commission received an application from Monadnock Paper Mills, Inc. (MPM) requesting Class I renewable energy certificate (REC) eligibility certification for the incremental generation output of its 0.425 megawatt (MW) Monadnock Dam Station hydroelectric facility (Monadnock Station), pursuant to RSA 362-F:4, New Hampshire's Renewable Portfolio Standard law. Under RSA 362-F:4, I (i), a hydroelectric generation facility may be eligible for Class I RECs for its increased incremental electricity output resulting from capital investments made after January 1, 2006 with the successful purpose of improving the efficiency or increasing the output of renewable energy from the facility, to the extent such incremental output exceeds the twenty-year historical generation baseline defined by statute.

Monadnock Station is located on the Contoocook River in Bennington, New Hampshire, on the site of MPM's paper manufacturing complex. The facility began commercial operation in June 1975. In 2011 MPM was awarded a \$151,040 grant from the Renewable Energy Fund (REF) to rebuild a dormant hydroelectric generating unit and to install flashboards on the dam crest at the Monadnock Station facility, and MPM subsequently completed these two improvements. A Federal Energy Regulatory Commission (FERC) Order Issuing License (Major), FERC Project No. 6597, including the Monadnock Station facility, was provided with the application supplemental materials. Therefore, the facility is in compliance with applicable FERC requirements, including those related to fish passage restoration. A copy of the Water Quality Certification under Section 401 of the United States Clean Water Act, issued by the New Hampshire Department of Environmental Services, was also provided with the application supplemental materials. A copy of the PSNH Interconnection Report for Customer Generation for Monadnock Paper Mills, SESD Site No. 070, dated May 18, 1992, was submitted with MPM's supplemental application materials.

In support of its application, and in response to a series of several Staff requests, MPM and its consultant, Hydro Management Group, LLC (Hydro Management), submitted detailed supplemental information regarding the capital improvements made to Monadnock Station, the methodology for determining the historical generation baseline of Monadnock Station, and the manner in which the relevant meters would be read and the generation output of Monadnock Station reported by MPM's independent monitor to the New England Power Pool Generation Information System (GIS).

Under RSA 362-F:4, I (i), a hydroelectric generation facility may be eligible to produce Class I RECs for its increased incremental electricity output resulting from qualifying capital investments, only to the extent such incremental output exceeds its "historical generation baseline." RSA 362-F:2, X (b) defines "historical generation baseline" as the average annual production of a hydroelectric facility from the later of January 1, 1986 or the date of first commercial operation through December 31, 2005. MPM provided data and calculations intended to support a determination that the historical generation baseline of the Monadnock Station is 591,484 kWh.

MPM proposed that its independent monitor, William P. Short, III, read the individual generation meter at Monadnock Station, and report the gross generation output to GIS under the facility code NON 39968 established for Monadnock Station. Any excess generation output reported to GIS by PSNH under the code MSS915 would not be qualified for the New Hampshire RPS program, in order to avoid any double counting of RECs. At such time during any year as the cumulative gross generation output of Monadnock Station reported to GIS by the independent monitor exceeds 591,484 kWh, any and all further electricity generation reported to facility code NON 39968 would be designated by GIS as eligible for Class I RECs for the remainder of that year.

Staff reviewed the Monadnock Station Class I REC certification request, and determined that it meets the eligibility requirements under RSA 362-F:4, I(i) as a Class I hydroelectric facility for the annual increased incremental production of electricity in excess of the historical generation baseline of 591,484 kWh, and complies with the New Hampshire Code of Administrative Rules Puc 2500. Staff recommended that the Commission approve the Monadnock Station facility as a Class I renewable energy source, effective as of July 10, 2014, the date upon which Staff was able to make a determination that MPM and Hydro Management had provided all information necessary to complete review of the application.

The Commission has reviewed the MPM application requesting Class I REC eligibility certification for the incremental generation output of its 0.425 MW Monadnock Station and has determined that all necessary documentation has been provided to demonstrate that the new production of electricity meets all of the requirements of Puc 2502.02 and is eligible for certification as a New Hampshire Class I facility. Therefore, the Commission hereby certifies the incremental generation output of Monadnock Station reported to GIS under facility code NON 39968 as a Class I renewable energy source, eligible to be issued New Hampshire Class I

Renewable Energy Certificates for the annual electrical generation output in excess of the 591,484 kWh historical generation baseline, effective as of July 10, 2014, the date upon which Staff was able to make a determination that MPM and Hydro Management had provided all information necessary to complete review of the application.

The Commission further clarifies that none of the excess generation output of Monadnock Station that is reported to GIS by PSNH under facility code MSS 915 will be qualified for the New Hampshire RPS program, in order to avoid any double counting of RECs.

Attached please find a copy of the notice of this certification provided to the GIS administrator. The New Hampshire Renewable Portfolio Standard certification code for Monadnock Station is NH-I-14-075.

Sincerely,



Debra A. Howland
Executive Director

Encl.
cc: Docket File

THE STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

21 S. Fruit Street, Suite 10

Concord, N.H. 03301-2429

CHAIRMAN
Amy L. Ignatius

COMMISSIONERS
Robert R. Scott
Martin P. Honigberg

EXECUTIVE DIRECTOR
Debra A. Howland

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX (603) 271-3878

Website:
www.puc.nh.gov

July 31, 2014

James Webb
Registry Administrator
APX Environmental Markets
224 Airport Parkway, Suite 600
San Jose, CA 95110

Re: DE 13-318, Monadnock Paper Mills, Inc. Application for Certification of Monadnock Dam Station Hydroelectric Facility as a Class I REC Eligible Facility
New Hampshire Certification Code NH-I-14-075

Dear Mr. Webb:

Please be advised that the New Hampshire Public Utilities Commission has certified the incremental electric generation output of the Monadnock Dam Station Hydroelectric Facility (Monadnock Station) owned and operated by Monadnock Paper Mills, Inc. (MPM) as a Class I renewable energy source, effective as of July 10, 2014, pursuant to N.H. RSA 362-F:4, I (i). Accordingly, Monadnock Station is eligible to be issued New Hampshire Class I RECs for its annual electrical generation output reported to NEPOOL-GIS facility code NON 39968 in excess of its 591,484 kWh historical generation baseline.

Monadnock Station is located on the Contoocook River in Bennington, New Hampshire, on the site of MPM's paper manufacturing complex, and has a total nameplate capacity of 0.425 megawatts (MW) of electrical production. The facility began commercial operation in June 1975. In 2011 MPM was awarded a state grant to rebuild a dormant hydroelectric generating unit and to install flashboards on the dam crest at the Monadnock Station facility, and MPM subsequently completed these two improvements. A Federal Energy Regulatory Commission (FERC) Order Issuing License (Major), FERC Project No. 6597, including the Monadnock Station facility, was provided with the application materials. Therefore, the facility is in compliance with applicable FERC requirements, including those related to fish passage restoration. A copy of the Water Quality Certification under Section 401 of the United States Clean Water Act, issued by the New Hampshire Department of Environmental Services, was provided with the application materials. A copy of the PSNH Interconnection Report for Customer Generation for Monadnock Paper Mills, SESD Site No. 070, dated May 18, 1992, was also provided with the application materials.

William P. Short, III, MPM's designated independent monitor, has agreed to read the individual generation meter at Monadnock Station, and report the gross generation output to GIS under the facility code NON 39968 established for Monadnock Station. Any excess generation output reported to GIS by PSNH under the code MSS 915 should not be qualified for the New Hampshire RPS program, in order to avoid any double counting of RECs.

At such time during any year as the cumulative gross generation output of Monadnock Station reported to GIS under facility code NON 39968 exceeds 591,484 kWh, any and all further electricity generation reported to facility code NON 39968 should be designated by GIS as eligible for Class I RECs for the remainder of that year. The New Hampshire Renewable Portfolio Standard certification code is NH-I-14-075.

Sincerely,



Debra A. Howland
Executive Director

cc: William P. Short, III, Consultant
Stephen J. Hickey, Hydro Management Group, LLC
Mark Lombardi, Facilities Production Manager, Monadnock Paper Mills, Inc.

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.

Executive.Director@puc.nh.gov
amanda.noonan@puc.nh.gov
barbara.bernstein@puc.nh.gov
david.wiesner@puc.nh.gov
Jack.ruderman@puc.nh.gov
jwebb@apx.com
leszek.stachow@puc.nh.gov
mhamm@mpm.com
mlombardi@mpm.com
tom.frantz@puc.nh.gov

Docket #: 13-318-1 Printed: July 31, 2014

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.