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***Via Electronic Mail Only***

Debra A. Howland, Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429

**RE: Docket No. DRM 16-829;  
New Hampshire Code of Administrative Rules Chapter Puc 2500  
Electric Renewable Portfolio Standard Rules**

Dear Ms. Howland:

On behalf of Liberty Utilities (Granite State Electric) Corp., d/b/a Liberty Utilities, I write to ask that the Commission include two clarifying changes to Puc 2502.06(b) to make its definition of “Class I Source” consistent with RSA 362-F:4. Liberty’s proposed changes (**underlined**) are inserted below:

Puc 2502.06 “Class I source” means ... (b) A facility that produces useful thermal energy from geothermal energy, **methane gas**, solar thermal energy, or thermal biomass renewable energy if the unit began operation after January 1, 2013, pursuant to RSA 362-F:4, I(b), **(e)**, (g) and (l).

**Discussion.**

RSA 362-F:4 unequivocally states that the generation of useful thermal energy from methane gas, as defined by RSA 362-F:2 XI, shall be a qualifying source of Class I renewable energy credits (RECs): “Class I (New) shall include the production of electricity or useful thermal energy from any of the following, provided the source began operation after January 1, 2006, except as noted below: ... (e) Methane gas ....” RSA 362-F:4, I(e).

While Puc 2502.06 does not contradict this statutory definition, the rule’s current form may give rise to confusion. The current rule, quoted below, separately defines the Class I sources that may produce electricity and the Class I sources that may produce useful thermal energy, but does not include “methane gas” in the latter.

Puc 2502.06 “Class I source” means:

(a) Pursuant to RSA 362-F:4, I(a), (c), (d), (e) and (f) a generation facility that began operation after January 1, 2006, and that produces electricity from any of the following:

- (1) Wind energy;
- (2) Hydrogen derived from biomass fuel or methane gas;
- (3) Ocean thermal, wave, current, or tidal energy;
- (4) Methane gas; or
- (5) Biomass;

(b) A facility that produces useful thermal energy from geothermal energy, solar thermal energy, or thermal biomass renewable energy if the unit began operation after January 1, 2013, pursuant to RSA 362-F:4, I(b), (g) and (l).

(Emphasis added.) The absence of “methane gas” in subsection (b) was likely an oversight given the clear statutory language of RSA 362-F:4 quoted above. To avoid confusion, Liberty asks the Commission insert into Puc 2502.06(b) a specific reference to “methane gas” and a citation to RSA 362-F:4, I(e).

As a “provider of electricity,” Liberty is required to obtain thermal RECs for 1.0 percent of the total electricity delivered to its end use customers in 2017, or make alternative compliance payments. This figure increases by 0.2 percent each year. RSA 362-F:3. However, in Order No. 25,978 (Jan. 17, 2017), the Commission delayed an increase in the thermal REC requirement for 2016 because there was not “a sufficient number of available Class I Thermal RECs to meet 2016 compliance requirements.” By making the clarification requested here, the Commission may encourage the production of thermal RECs from sources using methane gas, which is defined as being “biologically derived ... from anaerobic digestion of organic materials from such sources as yard waste, food waste, animal waste, sewage sludge, septage, and landfill waste.” RSA 362-F:2, XI.

Thank you for your consideration of these comments.

Sincerely,



Michael J. Sheehan

cc: Service List