

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: January 20, 2009

AT (OFFICE): NHPUC

FROM: Maureen L. Reno
Utility Analyst III

SUBJECT: DE 08-158, Waste Management Renewable Energy, L.L.C.'s
Application for Class I Eligibility Pursuant to RSA 362-F
Staff Recommendation

TO: Chairman Thomas B. Getz
Commissioner Graham J. Morrison
Commissioner Clifton C. Below
Debra A. Howland, Executive Director and Secretary

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

Summary

On December 10, 2008, Waste Management Renewable Energy, L.L.C. (WMRE) submitted an application requesting the Commission grant approval of its High Acres 1 & 2 landfill methane gas facility (High Acres facility) to produce Class I and Class III Renewable Energy Certificates (RECs) pursuant to RSA 362-F, New Hampshire's Electric Renewable Portfolio Standard law. Pursuant to RSA 362-F:4, Class I eligibility requires a facility to have begun the production of electricity after January 1, 2006 and to use certain sources to produce electricity, one of which is methane gas. Class III eligibility requires a methane gas facility to have begun operation prior to January 1, 2006.

Pursuant to RSA 362-F, the Commission, in a non-adjudicative process, must issue a determination of whether a facility meets a particular classification within 45 days of a completed application. The WMRE High Acres facility is a landfill methane gas facility that includes two units. High Acres 1 began commercial operation on July 15, 1991 and High Acres 2 became operational in March 2008. The facility meets the Class III and Class I eligibility requirements under RSA 362-F:4 and WMRE has complied with the N. H. Code Admin. Rule Puc 2500 and has provided all the necessary information. Based on its review of the application, Staff recommends that the Commission approve the High Acres facility as eligible for Class III and Class I RECs.

Analysis

The High Acres facility is located at 425 Perinton Parkway, Fairpoint, New York. High Acres 1 began operation on July 15, 1991 with a gross nameplate capacity of 1.6 megawatts and added a 0.8 megawatt turbine in 1997 and 1999. High Acres 1's NEPOOL GIS facility identification number is 32529. In 2008, WMRE added four Caterpillar 3520 reciprocating engines, High Acres 2, each with a nameplate capacity of 1.6 megawatts for a total of 6.4 megawatts that became operational in March 2008. The NEPOOL GIS facility identification number for High Acres 2 is 32690.

Pursuant to RSA 362-F:4 I(i), the incremental new production of electricity in any year from a methane source over its historical generation baseline may be eligible to produce Class I RECs, provided the Commission certifies demonstrable completion of capital investments attributable to the efficiency improvements, additions of capacity or increased renewable energy output. The applicant provided the historical generation baseline, defined in RSA 362-F:2 X (a), as the average annual electrical production from a facility other than hydroelectric, stated in megawatt-hours, for the 3 years 2004 through 2006. The average annual electrical production of High Acres 1 from 2004 to 2006 is 27,510.55 megawatt-hours. Also, given that the facility increased its capacity from 3.2 megawatts to 9.6 megawatts in 2008, the applicant has demonstrated that the facility completed capital investments intended to increase renewable energy output required under RSA 362-F:4 I(i). Any electrical output that exceeds this historical generation baseline is associated with the installation of the High Acres 2 units and, as a result, is eligible to receive Class I RECs.

Pursuant to Puc 2505.02 (b) (8), the applicant must submit proof that it 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." The applicant submitted a copy of its interconnection agreement titled "Standard Small Generator Interconnection Agreement" with New York State Electric & Gas Corporation dated August 30, 2007.¹

Pursuant to Puc 2505.02 (b) (11), the applicant shall include a statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standards and proof thereof. The applicant stated and Staff verified that the facility has been certified under the Connecticut and Massachusetts renewable portfolio standard programs.

The High Acres facility is located in New York, which is a control area adjacent to the New England control area. Therefore, the facility geographically qualifies to import power into the control area pursuant to the NEPOOL GIS Operating Rules 2.7(c).

¹ The interconnection agreement is between New York Independent System Operator, Inc., New York State Electric & Gas Corporation and Bio-Energy Partners, L.L.C. Effective January 1, 2008, Caterpillar Financial Services Corporation sold its interests in Bio-Energy Partners, L.L.C. to WM Partnership Holding, Inc., the parent of WMRE.

Pursuant to Puc 2504.01(a)(2), a facility in an adjacent control area may be eligible to produce renewable energy certificates provided that the electricity is delivered within the New England control area and is verified by submitting to the Commission the following:

- a) Documentation of a unit-specific bilateral contract that is executed between the source owner, operator, or authorized agent and an electric energy purchaser located within the New England control area;
- b) Proof of associated transmission rights for delivery of the source's electric energy to the New England control area;
- c) Documentation that the electrical energy delivered was settled in the ISO-New England wholesale market system;
- d) Documentation that the source produced the amount of megawatt-hours claimed per hour, as verified by the GIS administrator; and
- e) Confirmation that the electricity delivered received a North American Electric Reliability Corporation tag from the originating control area to the New England control area.

Also, if the originating control area employs a generation information system that is comparable to the GIS, such system may be used to support the documentation required in item d) of Puc 2504.01 (a)(2). Therefore, given that the facility is located in New York, which is an adjacent control area, the applicant must provide proof that the electricity produced by the facility was imported into the New England control area to receive Class III and Class I RECs associated with that electricity.

Recommendation

Staff has reviewed WMSE's application for its High Acres facility and can affirm it is complete pursuant to N. H. Code Admin. Rule Puc 2500. Staff recommends that the Commission certify the High Acres facility as being eligible for Class III and Class I RECs associated with generation that is in excess of High Acres' historical generation baseline, effective December 10, 2008, the date on which Staff was able to make a determination that the facility met the requirements for certification as a Class III and Class I renewable energy source.