

THE STATE OF NEW HAMPSHIRE

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May 12, 2009

Dena Lee DeLucca
VP of Corporate and Member Services/CFO
New Hampshire Electric Cooperative, Inc.
579 Tenney Mountain Highway
Plymouth, NH 03264-3154

Re: DE 09-006, New Hampshire Electric Cooperative, Inc.
Independent Monitoring Application pursuant to Puc 2502.09

Dear Ms. DeLucca:

On January 20, 2009, the New Hampshire Electric Cooperative (NHEC) submitted an application seeking certification as an independent monitor pursuant to N.H. Code of Admin Rules Puc 2505.09. NHEC proposes to provide monitoring services for members installing customer-sited sources that are equal to or less than 100 kilowatts in gross nameplate generation capacity and qualify for New Hampshire renewable energy certificates (RECs). Initially, NHEC plans to provide monitoring services to members within its own franchise area but may seek to offer these services to non-members at a later date. Staff has reviewed NHEC's application to become an independent monitor and recommended approval with certain conditions noting that the applicant meets the requirements set forth in Puc 2505.09.

According to the application, NHEC qualifies as an independent monitor pursuant to Puc 2505.09 inasmuch as it is a distribution company pursuant to RSA 362-F:2, XIV. Additionally, NHEC currently employs several licensed engineers and electricians that meet the qualifications of Puc 2505.09(c). According to NHEC, these employees will conduct a series of tasks pursuant to Puc 2505.09(h) such as performing the initial equipment installation and meter inspection measuring customer-sited sources' annual production and reporting annual production to the Commission. NHEC also states in its application that it will charge a fee for monitoring services based on a predetermined schedule but will waive any fees for those members who transfer REC ownership to NHEC.

NHEC proposes to use engineering analysis methodology to calculate fossil fuel British Thermal Units (Btus) saved and convert this amount to megawatt-hours for solar hot water systems used to supplement or displace the use of a fossil fuel water heater because the Btu

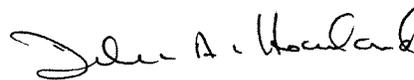
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savings qualifies for New Hampshire RECs pursuant to Puc 2505.08(a). Please be advised that the Commission will not issue RECS for Btu savings resulting from solar hot water systems used to supplement or displace the use of fossil fueled water heaters. Class 1 resources that are eligible for RECs include solar hot water systems only to the extent the systems are used "instead of electric hot water heating." *See* RSA 362-F:4 and Puc 2502.07(b).

In addition, please note that the Commission will only issue fractional RECs to customer-sited sources that produce or displace less than a megawatt-hour of electricity in a calendar year. For customer-sited sources that produce or displace more than a megawatt-hour of electricity in a given year, the NHEC will need to utilize the New England Power Pool Generation Information System (NEPOOL GIS) pursuant to RSA 362-F:6 I and II.

The Commission has reviewed NHEC's application to become an independent monitor and determined that the applicant has provided the necessary certifications demonstrating that the applicant meets the requirements set forth in Puc 2505.09. Therefore, the Commission hereby grants NHEC's request to become an independent monitor for customer-sited sources that qualify for New Hampshire RECs.

Sincerely,



Debra A. Howland
Executive Director