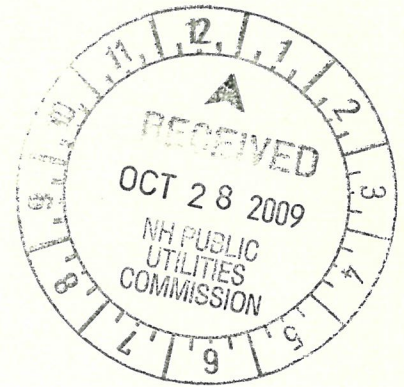


27 October 2009

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

Re: Docket: DE 09-067



Dear Ms. Howland:

The Carbon Action Alliance is a group of New Hampshire residents and businessmen concerned about regulatory barriers to developing the state's abundant natural energy resources. It is equally concerned about the prospects for reducing and avoiding carbon dioxide emissions from existing and planned New Hampshire fossil-fueled thermal and electric energy generation sources.

The Alliance submits this "Motion to Intervene" in the above referenced docket to address both these concerns by demonstrating that the failure of Public Service of New Hampshire (PSNH) to enter into a Power Purchase Agreement (PPA) with Clean Power Development (CPD) harms New Hampshire in three ways:

- (1) It is retarding the ability of the state to reduce or avoid its CO₂ emissions as recommended by the New Hampshire Climate Action Plan (CAP).
- (2) It is causing calculable harm to the New Hampshire's air, land and water systems.
- (3) It is placing an avoidable financial burden on the New Hampshire electric ratepayer.

The very existence of this complaint underscores the unwillingness of PSNH — an active participant in the deliberations of the Climate Change Policy Task Force and a signatory to the New Hampshire Climate Action Plan (NHCAP) — to act in good faith to implement three key recommendations of the Plan.

To wit:

1. Address Barriers to Low- and Non-CO₂- Emitting Electric Generation
(Energy Generation & Use, Action 2.4).

Rather than "identifying and removing obstacles to siting and constructing low- and non-CO₂-emitting energy facilities", PSNH is creating barriers to "the development of new low and non-CO₂ emitting facilities in the state." PSNH is making it more difficult and more expensive for New Hampshire "to move away from carbon-based supply side resources (i.e. fossil-fuel-fired power plants) while offsetting the impact of any potential load growth" (NH Climate Action Plan. p. 42)

Importantly, PSNH's reluctance to purchase biomass-generated electricity from a New Hampshire generator is delaying the phasing out of older, higher CO₂-emitting facilities whose orderly retirement could "facilitate the achievement of New Hampshire's Renewable Portfolio Standard targets and Governor Lynch's goal of achieving 25% of New Hampshire's energy production from Renewable Energy by 2025." (Climate Action Plan. p. 42)

By failing to negotiate a power purchase agreement with CPD, PSNH's continuing recalcitrance is having a chilling effect on the non-carbon energy marketplace. It is creating uncertainty among developers about the prospects of a New Hampshire renewable energy project obtaining a long-term purchaser of its electricity.

Consequently, renewable energy projects are reluctant to invest limited financial resources in developing, financing and operating clean energy facilities – facilities which will create new, high-paying, clean jobs and add to state and local tax revenues and stimulate business activity generally.

2. Promote Renewable Energy through the Electric Portfolio Standard (RPS) (Energy Generation & Use, Action 2.1).

The New Hampshire Renewable Portfolio Standard "mandates that 23.8% of retail electricity sales to in-state customers be provided by renewable energy resources by 2025". Two-thirds of this goal must come from renewable energy resources such as new solar, wind, geothermal and biomass.

In 2008, more than three-quarters of the Renewable Energy Credits (RECs) authorized by RSA 362-F were allocated to out-of-state certified facilities.

PSNH's refusal to purchase the electrical output from a "shovel-ready", in-state biomass project jeopardizes the creation of future New Hampshire-based RECs while facilitating the export of New Hampshire revenue to other states.

By discouraging this Class I renewable energy project, PSNH will have fewer, less expensive RECs available to meet its RPS requirements. Failing to negotiate a PPA with CPD could easily result in New Hampshire distribution utilities making larger payments to the Alternative Compliance Fund—at a significant cost to the ratepayer.

3. Increase Renewable Energy and Low-CO₂-Emitting Thermal Energy Systems (RCI Action 3.1).

By endorsing the New Hampshire Climate Action Plan in March 2009, PSNH has agreed "...to promote the expanded use of renewable and low-CO₂-emitting thermal energy systems to reduce fossil fuel use and greenhouse gas emissions." It is also endorsing efforts to provide "incentives and attractive financing for the use of cost-effective, renewable energy resources and high-efficiency/low-CO₂-emitting thermal systems."

The CPD project is an example of an innovative biomass project which maximizes the use of both its electric and thermal energy output. But the ability of CPD to obtain private sector financing in a timely fashion is severely handicapped by PSNH's unwillingness to contract for the purchase of electricity from the Berlin project.

The reluctance of PSNH to honor its commitment to implement RCI Action 3.1 of the Climate Action Plan jeopardizes the ability of New Hampshire to meet its goals to reduce or avoid additional carbon dioxide and other greenhouse gas emissions.

Finally, by refusing to negotiate a power purchase agreement with CPD, PSNH is sending a clear signal that, despite much public support, the state of New Hampshire is not willing to fulfill its commitment to develop its abundant non-polluting energy resources and is reneging on its goal to meet its own future energy needs without relying on carbon-based sources of energy.

Respectfully submitted,



Farrell S. Seiler
Chairman

cc: Service List