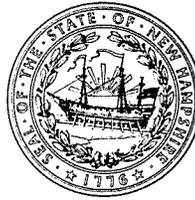


THE STATE OF NEW HAMPSHIRE



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December 17, 2009

William P. Short, III
Consultant
P.O. Box 237173
New York, New York 10023-7173

Re: DE 09-212, William P. Short, III on behalf of Indeck Energy-Alexandria, LLC
Application for Class I Eligibility of the Indeck Alexandria Facility's Station
Service Pursuant to RSA 362-F

Dear Mr. Short:

On November 2, 2009, you submitted an application on behalf of Indeck Energy-Alexandria, LLC (Indeck) requesting the Commission grant approval of the Indeck Alexandria biomass facility's (Alexandria facility) station service to produce Class I renewable energy certificates (RECs) pursuant to RSA 362-F, New Hampshire's Electric Renewable Portfolio Standard (RPS) law. You asked that the Commission certify the portion of Alexandria's electric production used in the generation of power, defined as station service or parasitic load, as eligible for Class I RECs. Based on its review of your application, Staff recommended that the Commission deny your request.

The Alexandria facility is conditionally certified as a New Hampshire Class I source, subject to meeting emission limits required by RSA 362-F. When the facility meets such emissions requirements, the electric production recorded by and sold to Public Service Company of New Hampshire (PSNH) will receive Class I RECs. Your application claimed that the electricity production used to operate the Alexandria facility would also qualify for Class I RECs because the facility is a customer-sited source and its output is not tracked by ISO-New England (ISO-NE) pursuant to RSA 362-F:6, II. Your application also indicated that you, as the facility's independent monitor, will verify and report to the NEPOOL generation information system (GIS) the station service output that is not sold to PSNH. If the Commission were to approve your request, the GIS administrator would then create RECs associated with the facility's station service output.

RSA 362-F:2, V defines customer-sited source as a source that is "interconnected on the end-use customer's side of the retail electricity meter in such a manner that it

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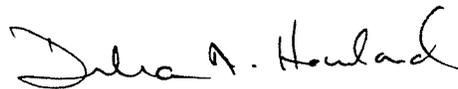
displaces all or part of the metered consumption of the end-use customer.” You claim that the Alexandria facility would qualify for RECs pursuant to RSA 362-F:6, II since it is a customer-sited source that displaces station service that would otherwise be provided by PSNH. You go on to say that because the self-supplied station service is not tracked by the ISO-NE for purposes of producing RECs, the self-supply is eligible for RECs pursuant to RSA 362-F:6, II.

The Commission disagrees. The Alexandria facility is a generator. The facility operates to sell power into the wholesale market. The fact that it may from time to time require temporary or intermittent service from PSNH when the facility is off-line, starting up, or shutting down does not change the character of the facility from a wholesale generator to a retail customer-sited source. Therefore, the Commission has concluded that the station service produced and used by the Alexandria facility does not qualify for RECs pursuant to RSA 362-F:6, II because the facility is not a “customer-sited source” within the meaning of RSA 362-F:2, V.

RSA 362-F:2, IX defines an end-use customer as any person that purchases retail electricity from another person. Because the Commission has determined that the Alexandria facility does not meet the requirement of a “customer-sited source” as the facility is a wholesale generator and not a retail customer when it is operational and producing and selling power into the wholesale market, the Commission also determines that the Alexandria facility is not an “end-use customer” within the meaning of RSA 362-F:2, IX.

Based on New Hampshire’s RPS statute and Administrative Rules, Puc 2500, the Commission hereby denies your request for the Alexandria facility’s station service to be eligible as a Class I renewable energy source.

Sincerely,



Debra A. Howland
Executive Director

cc: Docket File