

STATE OF NEW HAMPSHIRE

Inter-Department Communication

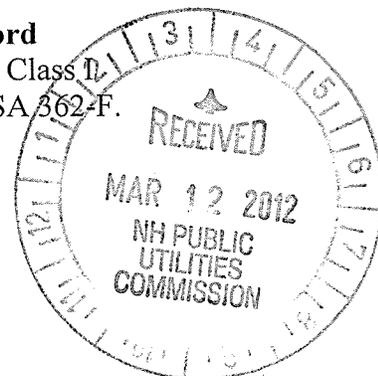
DATE: March 12, 2012
AT (OFFICE): NHPUC

FROM: Barbara Bernstein *BB*
Sustainable Energy Analyst

SUBJECT: **DE 12-033, Black Bear Hydro Partners, LLC's Milford Hydroelectric Project** Application for Certification for Class I Renewable Energy Certificate Eligibility Pursuant to RSA 362-F. **Staff Recommends that Eligibility be Granted.**

TO: Chairman Amy L. Ignatius
Commissioner Robert R. Scott
Commissioner Michael Harrington
Debra A. Howland, Executive Director and Secretary

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



Summary

Staff has reviewed the application for Black Bear Hydro Partners, LLC's (Black Bear Hydro) Milford Hydroelectric Project (Milford Project) facility's incremental new production and has determined that it meets the eligibility requirements under RSA 362-F:4, as a Class I facility and complies with the New Hampshire Code of Administrative Rules Puc 2505.02. Staff recommends Commission approval for the facility's incremental new production as eligible for Class I Renewable Energy Certificates (RECs) effective February 8, 2012.

Analysis

On January 31, 2011, the PUC received an application requesting that the Milford Project facility's incremental new production be granted eligibility for Class I RECs. Upon receipt of the application, Staff requested that confidential information be removed from the submission; on February 7, 2012, Black Bear Hydro submitted a revised and completed application.

Pursuant to Puc 2502.07 (d), the incremental new production of electricity in any calendar year from any hydroelectric generating facility may be considered for Class I RECs provided that the associated capital investments result in increased renewable energy output or improvements in the efficiency of electricity generation and provided that the incremental new production of electricity arises from the associated capital investment rather than the operational changes at the facility. Black Bear Hydro provided

documentation that demonstrates that \$3.9 million in capital investment has been made to install the two new generating units in vacant wheel pits within the Milford Project powerhouse to qualify the facility as eligible to acquire Class I renewable energy certificates (RECs),

Puc 2505.02 (b) requires the source to demonstrate its eligibility by completing the following:

- 1.) *The name and address of the applicant:* The applicant is Black Bear Hydro, Davenport Street, PO Box 276, Milford, ME 04461-0276.
- 2.) *The name and location of the facility:* Milford Hydroelectric Project (FERC No. 2534), Davenport Street, Milford, ME 04461.
- 3.) *The ISO-New England asset identification number (if available).* The ISO-New England asset identification number is ISO-NE#: 16296.
- 4.) *The GIS facility code if available.* The NEPOOL GIS facility code has been verified as MSS 16296.
- 5.) *A description of the facility including fuel type, gross nameplate generation capacity, the initial commercial operation date, and the date it began operation, if different.* The Milford Project is a run-of-river hydroelectric generating facility with an original gross nameplate generating capacity of 6.4MW and with the two new turbine/generator units the new combined nameplate capacity of the project is 7.8 MW. The Milford Project commenced initial commercial operations in 1906, and the two new generating units were brought on-line in late 2011. Black Bear Hydro is seeking certification for the 1.4 megawatts of incremental new production of electricity.
- 7.)¹ *All other necessary regulatory approvals, including any reviews, approvals or permits granted by the department.* The Federal Energy Regulatory Commission, Project # 2534-005, Appendix A, has granted certification for the continued operation of the Milford Project.
- 8.) *Proof that the applicant either 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.* A Standard Small Generator Interconnection Agreement by and among ISO New England, Inc., and Black Bear Hydro and Bangor Hydro-Electric Company (effective October 6, 2011) has been provided.²
- 10.)³ *A description of how the generation facility is connected to the distribution utility.* The Milford Project's generation is transmitted to a station transformer located at the utility's on-site substation.

¹ Puc 2502.02(b)(6) relates to biomass sources.

² This document contains critical energy infrastructure information and has been deemed confidential.

³ Puc 2502.02(b)(9) relates to biomass sources.

- 11.) *A statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standard and proof thereof.* The Milford Project has not sought certification for the incremental new production from any other non-federal jurisdiction's renewable portfolio standard.
- 12.) *A statement as to whether the facility's output has been verified by ISO New England.* The Standard Small Generator Interconnection Agreement by and among ISO New England, Inc., and Black Bear Hydro and Bangor Hydro-Electric Company (effective October 6, 2011) indicates that the facility's output has been verified by ISO New England.
- 14.)⁴⁵⁶ *An affidavit by the owner attesting to the accuracy of the contents of the application.* An affidavit signed by Scott D. Hall, Vice President – Environmental & Business Services, Black Bear Hydro, was provided with the application as Section 26.

Recommendation

Staff has reviewed the Milford Project facility's application for certification of the incremental new production of 1.4 megawatts of electricity and can affirm it is complete pursuant to N. H. Code Admin. Rule Puc 2500. Staff recommends that the Commission certify Milford Project's incremental new production as being eligible for Class I RECs effective February 8, 2012, the date on which Staff was able to make a determination that the facility met the requirements for certification as a Class I renewable energy source.

⁴ Puc 2502.02(b)(13) requires a description of how the facility's output is reported to the GIS if not verified by ISO New England. GIS has verified the facility's output.

⁵ Puc 2502.02(b)(15) requires the name and telephone number of the facility owner if different from the owner. The facility owner is the operator.

⁶ Puc 2502.02(b)(16) provides for other information the applicant wishes to provide to assist in classification of the generating facility. Black Bear Hydro Partners, LLC provided confidential documentation that describes their project.