

THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION
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July 31, 2014

Mark Lombardi
Facilities Production Manager
Monadnock Paper Mills, Inc.
117 Antrim Road
Bennington, NH 03442-4205

Re: Monadnock Paper Mills, Inc., Applications for
Certification of Class IV REC Eligible Facilities
DE 14-088, Pierce Dam
DE 14-089, Paper Mill Dam
DE 14-090, Monadnock Dam Power Station

Dear Mr. Lombardi:

On April 4, 2014, the Commission received three applications from Hydro Management Group, LLC (Hydro Management) on behalf of Monadnock Paper Mills, Inc. (MPM). MPM is requesting Class IV renewable energy certificate (REC) eligibility certification for three hydroelectric facilities: the 0.770 megawatt (MW) Pierce Dam hydroelectric facility (Pierce Station), the 0.750 MW Paper Mill Dam hydroelectric facility (Paper Mill Station), and the 0.425 MW Monadnock Dam Station hydroelectric facility (Monadnock Station), pursuant to RSA 362-F:4, New Hampshire's Renewable Portfolio Standard law. The effective date for all three facilities is the date all information was received to complete the Commission's analysis, which was July 10, 2014.

The Pierce Station, Paper Mill Station, and Monadnock Station are all located on the Contoocook River in Bennington, New Hampshire, on the site of MPM's paper manufacturing complex. The facilities began commercial operation in June 1975. A Federal Energy Regulatory Commission (FERC) Order Issuing License (Major), FERC Project No. 6597, including the three hydroelectric facilities, was provided with the application materials. Therefore, the facilities are in compliance with applicable FERC requirements, including those related to fish passage restoration. A copy of the Water Quality Certification under Section 401 of the United States Clean Water Act, issued by the New Hampshire Department of Environmental Services, was also provided with the application materials. A copy of the Public Service Company of New Hampshire (PSNH) Interconnection Report for Customer Generation for Monadnock Paper Mills, SESD Site No. 070, dated May 18, 1992, was submitted with MPM's supplemental application materials.

In order to be eligible for Class IV RECs, an existing hydroelectric facility located in New Hampshire must have actually installed both upstream and downstream diadromous fish passages approved by the FERC, unless it has a total nameplate capacity of one MW or less as measured by the sum of the nameplate capacities of all generators at the facility, pursuant to RSA 362-F:4, IV(3). Each of the three MPM stations has a nameplate capacity of less than one MW, if considered separately, but in the aggregate their total nameplate capacity exceeds one MW. None of the three facilities is required by FERC to install upstream and downstream fish passage, and none has actually installed such fish passage. Therefore, the three stations would be eligible for Class IV RECs only if they can be considered separate and independent facilities that are not aggregated for purposes of the capacity limitation. MPM and MPM and Hydro Management submitted detailed information describing the configuration and operation of the three stations, which Commission Staff determined was sufficient to support a finding that the three MPM power stations are separate and independent facilities that are not required to be aggregated for purposes of the one MW capacity limitation under RSA 362-F:4, IV(3)(B).

The three MPM power stations are all customer-sited sources, as defined in RSA 362-F:2, V. MPM has identified William P. Short, III as its independent monitor, and has proposed that Mr. Short read the individual generation meters at Pierce Station, Paper Mill Station, and Monadnock Station, and report the gross generation output of each station directly to the New England Power Pool Generation Information System (GIS) under the respective facility codes established for these three facilities: NON 39971, NON 39969, and NON 39968. With respect to Monadnock Station, the annual generation output in excess of its historical generation baseline is eligible for Class I RECs. Accordingly, its cumulative gross generation output reported to GIS facility code NON 39968 during any given year up to 591,484 kWh will be issued Class IV RECs, and at such time during any year as its cumulative gross generation output reported to GIS under this facility code exceeds 591,484 kWh, any and all further electricity generation reported under this facility code will be designated by GIS as eligible for Class I RECs for the remainder of that year. Any excess generation output reported to GIS by PSNH under the code MSS915 must not be qualified for the New Hampshire RPS program, in order to avoid double counting of RECs.

Based on Staff's review of the MPM applications and the supplemental information provided,¹ Staff concluded that Pierce Station, Paper Mill Station, and Monadnock Station may be certified as eligible to produce Class IV RECs, and Staff recommended that the Commission grant such certifications, effective as of July 10, 2014. The Commission has reviewed MPM's applications and the supplemental information and materials submitted, as well as Staff's recommendation, and the Commission hereby grants certification of Pierce Station, Paper Mill Station, and Monadnock Station as Class IV REC eligible facilities, provided that, for Monadnock Station, only the first 591,484 kWh reported in any year will be eligible for Class IV RECs.

¹ MPM and Hydro Management submitted additional information in response to Staff's requests on June 2, 2014, July 2, 2014, and July 10, 2014.

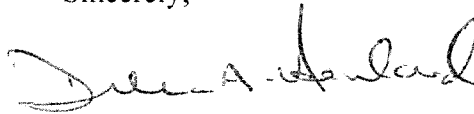
The Commission further clarifies that none of the excess generation output of the three MPM power stations that is reported by PSNH to GIS under facility code MSS 915 will be qualified for the New Hampshire RPS program, in order to avoid any double counting of RECs.

Table 1 below provides a summary of the GIS unit identification numbers, as well as the New Hampshire Renewable Portfolio Standard certification codes, for the Class IV REC production of the three MPM hydroelectric facilities:

Table 1: MPM Facilities Details			
Facility Name	GIS Unit ID	Nameplate Capacity	NH Certification Number
Pierce Dam	NON39971	0.770 MW	NH-IV-14-076
Paper Mill Dam	NON39969	0.750 MW	NH-IV-14-077
Monadnock Station	NON39968	0.425 MW	NH-IV-14-078

Attached please find a copy of the notice of this certification provided to the GIS administrator.

Sincerely,



Debra A. Howland
Executive Director

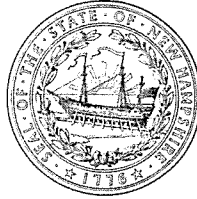
cc: Michelle Hamm, Manager – Environmental Services, MPM
Stephen J. Hickey, Hydro Management Group

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July 31, 2014

James Webb
Registry Administrator
APX Environmental Markets
224 Airport Parkway, Suite 600
San Jose, CA 95110

Re: Monadnock Paper Mills, Inc., Applications for Certification of Class IV REC
Eligible Facilities
DE 14-088, Pierce Dam - NH-IV-14-076
DE 14-089, Paper Mill Dam - NH-IV-14-077
DE 14-090, Monadnock Dam Power Station - NH-IV-14-078

Dear Mr. Webb:

Please be advised that the New Hampshire Public Utilities Commission has certified three hydroelectric facilities owned and operated by Monadnock Paper Mills, Inc. (MPM) as Class IV renewable energy sources: the 0.770 megawatt (MW) Pierce Dam hydroelectric facility (Pierce Station), the 0.750 MW Paper Mill Dam hydroelectric facility (Paper Mill Station), and the 0.425 MW Monadnock Dam Station hydroelectric facility (Monadnock Station), pursuant to RSA 362-F:4, New Hampshire's Renewable Portfolio Standard law. The effective date for all three facilities is July 10, 2014.

Pierce Station, Paper Mill Station and Monadnock Station are all located on the Contoocook River in Bennington, New Hampshire, on the site of MPM's paper manufacturing complex. All three facilities began operation in June 1975. A copy of the Federal Energy Regulatory Commission (FERC) Order Issuing License (Major), FERC Project Number 6597, covering all three of the MPM stations, was provided with the applications; therefore, the facilities are in compliance with applicable FERC requirements, including those related to fish passage restoration. A copy of the Water Quality Certification under Section 401 of the United States Clean Water Act, issued by the New Hampshire Department of Environmental Services, was also provided with the application materials. A copy of the Public Service Company of New Hampshire (PSNH) Interconnection Report for Customer Generation for Monadnock Paper Mills, SESD Site No. 070, dated May 18, 1992, was submitted with MPM's supplemental application materials.

The three MPM power stations are all customer-sited sources, as defined in RSA 362-F:2, V, and MPM has identified William P. Short, III as its independent monitor.

Mr. Short will read the individual generation meters at Pierce Station, Paper Mill Station, and Monadnock Station, and report the gross generation output of each station directly to the New England Power Pool Generation Information System (GIS) under the respective facility codes established for these three facilities: NON 39971, NON 39969, and NON 39968.

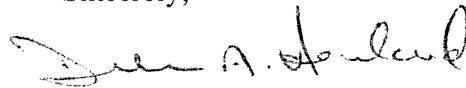
With respect to Monadnock Station, the annual generation output in excess of its historical generation baseline is eligible for Class I RECs. Accordingly, its cumulative gross generation output reported to GIS facility code NON 39968 during any given year up to 591,484 kWh must be issued Class IV RECs, and at such time during any year as its cumulative gross generation output reported to GIS under this facility code exceeds 591,484 kWh, any and all further electricity generation reported under this code will be designated as eligible for Class I RECs for the remainder of that year.

Any excess generation output reported to GIS by PSNH under the code MSS915 must not be qualified for the New Hampshire RPS program, in order to avoid any double counting of RECs.

The New Hampshire Renewable Portfolio Standard certification codes for the three MPM power stations are set forth in Table 1:

Table 1: MPM Facilities Details			
Facility Name	GIS Unit ID	Nameplate Capacity	NH Certification Number
Pierce Dam	NON39971	0.770 MW	NH-IV-14-076
Paper Mill Dam	NON39969	0.750 MW	NH-IV-14-077
Monadnock Station	NON39968	0.425 MW	NH-IV-14-078

Sincerely,



Debra A. Howland
Executive Director

cc: William P. Short, III, Consultant
Stephen J. Hickey, Hydro Management Group, LLC
Mark Lombardi, Facilities Production Manager, Monadnock Paper Mills, Inc.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 14-090-1 Printed: July 31, 2014

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.