

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: January 29, 2021

AT (OFFICE): NHPUC

FROM: Jason Morse, Utility Analyst, Sustainable Energy Division

SUBJECT: Docket No. REC 19-103, North Conway Memorial Hospital (RREC 18-0492)
Request for Limited Approval of an Alternative Method for Measuring Thermal REC Production Due to Data Logger Malfunction and Related Waivers of Puc 2506.04 and Puc 2506.05.
Staff Recommendation to Approve Request and Provide Limited Waivers of Puc 2506.04 and Puc 2506.05.

TO: Commissioners
Debra A. Howland, Executive Director

CC: Karen P. Cramton, Director, Sustainable Energy Division
David K. Wiesner, Director, Legal Division

Background and Recommendation Summary

On January 13, 2021, the Commission received a letter from Gary Phetteplace of GWA Research, LLC on behalf of North Conway Memorial Hospital. The North Conway Memorial Hospital boiler facility (Facility) using Renewable Fuel Oil (RFO) was approved for eligibility to produce New Hampshire Class I Thermal Renewable Energy Certificates (RECs) on November 15, 2019. Mr. Phetteplace serves as the Independent Monitor for the Facility, and has requested one-time approval to use an alternative method of measuring thermal energy during the period from August 1, 2020 through August 14, 2020 due to the failure of the data logger during that time period. He has also requested waiver of any rules deemed necessary to accommodate that request. Staff has reviewed the request and recommends that the Commission approve it by granting limited waivers of N.H. Admin. R., Puc [2506.04](#) and Puc [2506.05](#).

Request Details

The current alternative method of measuring the thermal energy generated by the Facility was approved by the Commission through secretarial letter issued on June 6, 2019. The approved method utilizes sensors and meters to measure the volume and temperature of the boiler feedwater, the pressure of the steam, and the amount of RFO in the storage tank. Those sensors and meters transmit measurements to a data logger, from which Mr. Phetteplace retrieves the data every two weeks. Mr. Phetteplace explained in his request that “[i]t was found that the data logger had failed during the time period from July 31,

2020 @ 4:49 PM until August 14, 2020 @ 5:47 PM, I am therefore unable to determine REC production using the approved method for that time period.”

Mr. Phetteplace has requested the use of an alternative method for the measurement of Thermal REC production during the limited time period. He described the proposed alternative method and supplied data to support its reasonableness. To summarize, Mr. Phetteplace presented a chart showing the daily amount of RFO usage, as measured in the fuel storage tank, during a three-month period from June 15, 2020 to September 14, 2020. This chart shows that daily RFO usage by the facility is relatively consistent during the summer months when there is little or no space-heating. He calculated an average amount of daily RFO usage during that three-month summer period. He also calculated the average megawatt-hours (MWhs) of useful thermal energy produced daily during that period, with the exception of the 14-day period in which the data logger was not functional. He then multiplied the resulting average daily MWh by a correcting factor based on RFO usage during the specific 14-day period to derive the estimated daily MWhs and then multiplied the result by 14 to determine the “Total Correlated Discounted Thermals RECs.” The calculation is as follows:

Daily Average (Avg) RFO Consumption, 15 Jun to 14 Sep = 512 gallons
Daily Avg RFO Consumption, 1 Aug to 14 Aug = 481 gallons
(Daily Avg RFO, 1 Aug to 14 Aug)/(Daily Avg. RFO, 15 Jun to 14 Sep) = 481/512 = 94%
Discounted Avg Daily Thermal RECs, 15 Jun. to 31 Jul. & 15 Aug. to 14 Sep. = 9.08 MWh
Correlated Avg Daily Discounted Thermal RECs, 1 Aug to 14 Aug = 8.54 MWh
Total Correlated Discounted Thermal RECs, 1 Aug to 14 Aug = 119.49 MWh

Staff Recommendation

Staff interprets this request as effectively a request for a waiver of the otherwise applicable metering and calculation requirements set forth in Puc 2506.04 and 2506.05. Based on review and analysis of the request, Staff has determined that the proposal to use the specified alternative method of measuring Class I Thermal REC production for the limited time period is reasonable under the circumstances, and that rule waivers are the appropriate means of facilitating the limited use of that limited alternative method.

Staff recommends that, pursuant to Puc 201.05,¹ the Commission approve Mr. Phetteplace’s request to use the proposed alternative method for the limited time period between August 1, 2020 and August 14, 2020 by granting the Facility a one-time waiver of the otherwise applicable measurement and calculation requirements of Puc 2506.04 and Puc 2506.05. The recommended rule waivers would serve the public interest, in that the purpose of Puc 2506.04 and Puc 2506.05 is to ensure that useful thermal energy is measured and calculated with reasonable accuracy for the purpose of determining

¹ Under Puc 201.05, the Commission must waive the provisions of any of its rules, except where precluded by statute, upon request by an interested party, or on its own motion, if it finds that (1) the waiver serves the public interest, and (2) the waiver will not disrupt the orderly and efficient resolution of matters before the Commission. In determining the “public interest,” the Commission shall waive a rule if either compliance with the rule would be onerous or inapplicable given the circumstances of the affected person, or the purpose of the rule would be satisfied by an alternative method proposed.

Thermal REC production. The intent of the rules would be satisfied during this limited time period, as a reasonable alternative to the currently-approved method that has been proposed by a licensed New Hampshire professional engineer. Waiver would also serve the public interest by increasing the availability of New Hampshire Class I Thermal RECs.

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