DE 12-042

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: March 28, 2012
AT (OFFICE): NHPUC

FROM: Barbara Bernstein BB
Sustainable Energy Analyst

SUBJECT: **DE 12-042**, KEI (USA) Power Management, Inc.'s Application for Burnham Hydroelectric Project's Certification for Class IV New Hampshire Renewable Energy Certificates 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 JR
Suzanne Amidon, Staff Attorney

Summary

Staff has reviewed the application for KEI (USA) Power Management, Inc.'s (KEI) Burnham (Pittsfield) Hydroelectric Project (Burnham Project) and has determined that it meets the eligibility requirements under RSA 362-F:4, as a Class IV facility and complies with the New Hampshire Code of Administrative Rules Puc 2505.02. Staff recommends Commission approval for the Burnham Project as eligible for Class IV Renewable Energy Certificates (RECs) effective March 12, 2012.

Analysis

On February 15, 2012, the PUC received an application requesting that the 1.05 megawatt (MW) Burnham Project facility be granted eligibility as a Class IV facility. Upon review of the application, Staff requested additional information on March 2, 2012; on March 12, 2012, the PUC received the information necessary from KEI to complete the application.

To qualify the Burnham Project's electrical production as eligible to acquire 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 KEI (Maine) Power Management (II) LLC, KEI (USA) Power Management, Inc., 3285 chemin Bedford, Montreal, Quebec, Canada, H3S 1G5.

2) *The name and location of the facility:* Burnham (Pittsfield) Hydroelectric Project, (FERC No. 11472), 1364 Maine Street, Burnham, ME 04967.

3) *The ISO-New England asset identification number (if available).* The ISO-New England asset identification number is ISO-NE#: 2209.

4) *The GIS facility code if available.* The NEPOOL GIS facility code has been verified as MSS 2209.

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 Burnham Project is a run-of-river hydroelectric generating facility on the Sebasticook River, a tributary of the Kennebec River, in Somerset and Waldo Counties, Maine; it has a nameplate capacity of 1.05 MW. The Burnham Project was constructed in 1929 by the Central Maine Power Company (CMP) and operated by Consolidated Hydro Maine, Inc and Ridgewood Maine Hydro Partners, LP from 1986 to 2009. The Burnham Project was acquired by KEI (Maine) Power Management (II) on November 20, 2009. The Burnham Project includes a 615 foot dam, a powerhouse containing three Francis turbine units, a 300 foot long tailrace; a substation and appurtenant facilities including diadromous fish ladders.

7. [1] *All other necessary regulatory approvals, including any reviews, approvals or permits granted by the department.* The Burnham Project has been approved by the Federal Energy Regulatory Commission, FERC # 11472, and has received State of Maine Water Quality Certification (WQC).

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 Small Generator Interconnection Agreement Between between Central Maine Power Company (CMP) and Pittsfield Hydro, dated January 1, 2009, and a First Amendment to Interconnection Agreement between Central Maine Power Company and KEI (Maine) Power Management (dated as of 03-06-12) have been provided as confidential documents.[2]

10. [3] *A description of how the generation facility is connected to the distribution utility.* Electric power is delivered from the interconnection of the Project's 34 kv cable to CMP's 34 kV distribution circuit tap located on CMP's distribution circuit.

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[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 Burnham Project currently qualifies as a Class II renewable energy source in the State of Connecticut and as a Class II renewable energy source in the State of Maine.

12. *A statement as to whether the facility's output has been verified by ISO New England.* Certificate information from NEPOOLGIS verifies the Burnham Project output as does the Small Generator Interconnection Agreement between Central Maine Power Company (CMP) and Pittsfield Hydro.

14. [4]*An affidavit by the owner attesting to the accuracy of the contents of the application.* An affidavit signed by Guy J. Paquette, Vice President – Corporate and Legal Affairs of KEI (Maine) Power Management, was provided with the application as Attachment 6. [5][6]

In addition, pursuant to Puc 2502.10, to qualify as a Class IV source, the hydroelectric generation facility must have begun operation on or before January 1, 2006 and have a gross nameplate capacity of 5 megawatts or less. In addition, qualifying Class IV facilities must have installed FERC-required and approved upstream and downstream diadromous fish passages. The Burnham Project was built in 1929 and has a nameplate capacity of 1.05 MW. The Burnham Project has had FERC licensed diadromous fish passages since February 1, 2007.

Recommendation

Staff has reviewed the Burnham Project's application for certification as a Class IV facility and can affirm it is complete pursuant to N. H. Code Admin. Rule Puc 2500. Staff recommends that the Commission certify the Burnham Project's electricity production as being eligible for Class IV RECs effective March 12, 2012, the date on which Staff was able to make a determination that the facility met the requirements for certification as a Class IV 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. KEI provided confidential documentation that describes their project.