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STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION
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May 7, 2015

William P. Short, III
Consultant
44 West 62nd Street
P.O. Box 237173
New York, New York 10023-7173

Re: DE 12-278, Contoocook Hydro, LLC's Application for Certification of the Hopkinton Hydro Project as a Class I REC Eligible Facility

Dear Mr. Short:

On September 20, 2013, the Commission received an application from William P. Short III, Consultant (Consultant), on behalf of Contoocook Hydro, LLC (Contoocook Hydro), requesting Class I renewable energy certificate (REC) certification eligibility for annual electric production in excess of 780 megawatt hours (MWh) from the 0.25 megawatt (MW) Hopkinton Hydro Project (Hopkinton Hydro), pursuant to RSA 362-F:4, New Hampshire's Renewable Portfolio Standard law. In 2008, when Hopkinton Hydro was purchased by Contoocook Hydro, the facility had not been upgraded since 1984. As a result of improvements made by Contoocook Hydro, the average annual production of the Facility was increased from 780 MWh to approximately 1,120MWh, according to the application.

Hopkinton Hydro is located on the Contoocook River at 33 ½ Pine Street in Hopkinton, New Hampshire. The facility began commercial operation on or about December 1, 1984. A Federal Energy Regulatory Commission (FERC) Order Granting Exemption from Licensing of a Small Hydroelectric Project of 5 Megawatts or Less, FERC Project No. 5735-001, was provided with the application supplemental materials. Therefore, the facility is in compliance with applicable FERC requirements, including those related to fish passage restoration. A copy of the Public Service Company of New Hampshire (n/k/a Eversource Energy) Operating Agreement for Purposes of Wheeling and Power Sales, dated April 18, 2008, was submitted with Hopkinton Hydro's supplemental application materials. The facility's electrical output is verified by Eversource Energy and reported to the GIS under the facility code MSS919.

Under RSA 362-F:4, I (i), Class I REC production includes the "incremental new production of electricity in any year from ... any hydroelectric generating facility ... over its historical generation baseline, provided the commission certifies demonstrable completion of capital investments attributable to the efficiency improvements, additions of capacity, or increased renewable energy output that are sufficient to, were intended to, and can be

demonstrated to increase annual renewable electricity output. The statute states that the determination of incremental production shall not be based on any operational changes at such facility but rather on capital investments in efficiency improvements or additions of capacity.

On February 4, 2015, the Commission issued a secretarial letter determining that Contoocook Hydro had not yet adequately demonstrated that the Hopkinton Hydro facility met the statutory criteria for Class I REC eligibility, and requesting that the applicant submit a revised list of claimed eligible improvements and a good faith estimate of the increase in electricity production attributable to such improvements, both individually and in the aggregate.

The Consultant filed an initial response to this request on February 26, 2015 that outlined nine items claimed to be eligible capital improvements and estimated that the electricity production increases attributable to these nine improvements totaled 100% of the increase above the historical generation baseline. On March 23, 2015, the Consultant filed a revised good faith estimate of the electricity production increase attributable to each of nearly 70 efficiency improvements, including the nine principal improvements listed in the earlier filing, with each estimated increase expressed as a percentage of the total aggregate increase in production.

Staff filed a memorandum on May 4, 2015 that recommended partial approval of the applicant's Class I eligibility request. Staff stated its belief that the capital improvements list submitted with the March 23rd filing continues to include numerous items that have not been demonstrated to meet the Class I eligibility criteria. Staff used the estimated percentage impact of each listed item on the facility's increased electricity production, as set forth in the March 23rd filing, to assign a percentage value to each of the nine principal capital improvement items identified in the applicant's February 26th filing. Staff also included one additional listed capital improvement item, "refurbished trash racks," which is estimated to have increased production by 10 percent, based on Staff's conclusion that this item appears to meet the statutory eligibility criteria.

Based on its review and analysis, Staff recommended that the Commission certify as eligible for Class I RECs, 74% of the electricity production of the Hopkinton Hydro facility above its historical generation baseline of 780.13 MWh per year, effective as of March 23, 2015, the date upon which the applicant had provided sufficient information to permit Staff to complete its review and make a determination regarding Class I REC eligibility. The remainder of the increased incremental generation output of the facility and all electricity production up to the historical generation baseline would be eligible for Class IV RECs.

The Commission has reviewed Contoocook Hydro's application, the supplemental submissions made by the Consultant, and Staff's May 4 memorandum, and has approved Staff's recommendation. Accordingly, 74% of the electricity production of the Hopkinton Hydro facility above its historical generation baseline of 780.13 MWh per year is certified as eligible for Class I RECs. The remainder of the Hopkinton Hydro facility's increased electricity production during any year, as well as any electricity production up to the historical generation baseline of 780.13 MWh per year, is eligible for Class IV RECs.

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Attached please find a copy of the notice of this certification provided to the GIS administrator. The New Hampshire Renewable Portfolio Standard certification code for Hopkinton Hydro's Class I production is NH-I-15-057.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra A. Howland". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Debra A. Howland
Executive Director

Encl.

cc: Service List
Docket File

CHAIRMAN
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May 7, 2015

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

Re: DE 12-278, Contoocook Hydro, LLC's Eligibility Request for the Hopkinton Hydro Project to Produce Class I New Hampshire Renewable Energy Certificates (RECs) New Hampshire Certification Code NH-I-15-057

Dear Mr. Webb:

Please be advised that the New Hampshire Public Utilities Commission has certified the Hopkinton Hydro Project owned and operated by Contoocook Hydro, LLC (Contoocook Hydro) as eligible to produce Class I renewable energy certificates based on 74% of its electricity production above the historical generation baseline of 780.13 MWh per year. The remainder of the Hopkinton Hydro Project's increased incremental electricity production during any year, as well as any electricity production up to the historical generation baseline of 780.13 MWh per year, is eligible to produce Class IV RECs, pursuant to N.H. RSA 362-F.

The Hopkinton Hydro Project is located on the Contoocook River, in Contoocook, New Hampshire, and has a nameplate electrical generation capacity of 0.25 megawatts. The project began commercial operation on December 1, 1984. Contoocook Hydro has provided evidence that the Hopkinton Hydro Project operates in compliance with the Federal Energy Regulatory Commission fish passage restoration requirements (Project Number 5735-001), and it has provided a copy of an operating agreement for wheeling and power sales with Public Service Company of New Hampshire, n/k/a Eversource Energy.

The project's NEPOOL generation information system (GIS) facility code is MSS 919. The New Hampshire Renewable Portfolio Standard certification code for the Class I REC production is NH-I-15-057.

Sincerely,

A handwritten signature in cursive script, appearing to read "Debra A. Howland".

Debra A. Howland
Executive Director

cc: Lori Brag, President, Contoocook Hydro, LLC
William P. Short, III, Consultant

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 #: 12-278-1 Printed: May 07, 2015

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.