



HOLDERNESS

Holderness School

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May 8, 2014

Amy L. Ignatius, Chair
State of New Hampshire
Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire

Dear Commissioner Ignatius,

Holderness School submits this letter in response to the Order of Notice dated April 24, 2014, DE 14-104 and as written testimony to be added to the comments filed at the public hearing held on May 1, 2014, regarding RSA 362-F:4,V and VI Adjustments to Renewable Portfolio Class Requirements.

As a potential Class I Thermal Renewable Energy Credit generator, with funds committed and the planning process well underway, Holderness is aiming at a September, 2015 date for coming on-line with our new wood chip system. We are grateful for the PUC Renewable Energy Fund award of \$300,000 and are planning on installing an electrostatic precipitator and classifying as a Class I thermal generator. We are aware that the regulations for Class I thermal generation are yet to be developed, and that Class I thermal generation is in Initial Proposal stage.

Our concern is that if the scheduled incremental increases for Class I requirements are delayed, the market for our RECs, as a small generator, may disappear. NH Electric Cooperative, our local utility, noted at the hearing that Class I RECs purchases are not an issue, and, in a prior, separate conversation, NHEC implied to us that their full requirement of Class I RECs is already contracted out for several years into the future. We voice the concern that similar purchases of Class I RECs by other utilities, with multi-year contracts, will squeeze small generators out of the market in the near future, before regulations governing Class I thermal generation are drafted and implemented. The multi-year contracts being made are in the context of current schedules of incremental increase, and so to delay that increase will affect newcomers to the market the most. With only 17% of the Class I requirements being met by ACP this past year, the situation does not appear to warrant adjustments to Class I.

The grant program encouraged us to proceed (and many feel the award was the tipping point in decision making), and we thus hope that the program which supports renewable energy (and creates the REC market) will not be weakened. We appreciate the complexity of the current situation and that the focus of the May 1 hearing was on Class III RECs. We also acknowledge that the potential for Alternative Compliance Payments from Class III, if remaining in the dedicated Renewable Energy Fund this year, could have large effect on the development of new facilities and the subsequent value of RECs. We support a stable policy of renewable energy development and regulations which promote market accessibility. We wish to add our voice in agreement to those testifying that the Class I Renewable Energy Credit incremental percentage requirements and schedule of implementation should not be weakened by delay for 2013, 2014, or 2015. Thank you for your consideration of our position.

Sincerely,



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