

STATE OF NEW HAMPSHIRE**Inter-Department Communication****DATE:** June 28, 2017**AT (OFFICE):** NHPUC

FROM: Barbara Bernstein, Energy Analyst ^{BB}

SUBJECT: DE 14-303 Johnson Controls Request on Behalf of Mascoma Valley Regional School District, Enfield Village School for Waiver to Utilize Puc 2505.02(e)(2) One-Time Use of Alternative Methodology to Allow for REC Generation Due to Meter Malfunction

TO: Martin P. Honigberg, Chairman
Kathryn M. Bailey, Commissioner
Debra A. Howland, Executive Director and Secretary

CC: Karen Cramton, Director, Sustainable Energy Division ^{KC}
David Shulock, Staff Attorney

On June 13, 2017, the Commission received a letter from John B. Sanborn, (Mr. Sanborn), Energy Solution Engineer, Johnson Controls, Inc., on behalf of Mascoma Valley Regional School District, Enfield Village School (School). Mr. Sanborn is requesting that the Commission consider and approve a one-time waiver to allow the Enfield Village School thermal biomass facility to receive eligibility for thermal RECs generated at the facility during a period of time when the metering system was not working properly. Mr. Sanborn is requesting the Commission allow Adam Kohler, PE, (Mr. Kohler) a professional engineer and the facility's independent monitor (IM), to calculate REC production per Puc 2505.02(e)(2).¹

The Enfield Village School's thermal facility became eligible for Class I Thermal REC effective as of February 27, 2015. In February 2017, Mr. Kohler informed the School that Q4 2016 data could not be reported due to meter malfunction. At that time a corrective action plan was initiated between the School, the IM, Wilson Engineering Services (the project's aggregator), and Johnson Controls. To alleviate the faulty meter a new Onicon, System 40 BTU meter has been purchased and installed. The new meter was installed and commissioned on May 4, 2017 and since then the data reported from the new meter has been accurate and reliable.

Mr. Sanborn is requesting a one-time Commission waiver for the School to utilize the alternative compliance methodology that was approved as an interim method for thermal facilities to use during the 2014 interim Puc 2500 rule. Using a sound

¹ Puc 2505.02(e)(2) approved in December of 2014, provided for an interim reporting methodology for facilities to participate in the REC market until meters could be installed to meet the 2500 rule requirements.

methodology to measure and calculate thermal energy, as certified by Mr. Kohler, the School produced 166 RECs for the periods of Quarter 4 2016 and Quarter 1 2017.

The methodology used to calculate the number of RECs produced follows:

- Heat (Q in MMBtu)
- Tons Delivered (Td) = 47 tons of pellets were delivered between November 11, 2016 and February 20, 2017.
- Higher Heating Value (HHV) = 16.4 MMBtu/ton of pellets.
- Efficiency Rating(Eff) = 0.75 (assumed)
- A 2% discount factor was applied (i.e., 0.98 in calculation below).
- MMBtu conversion to MWh = MMBTU / 3.412 MWh/MMBtu

$$Q = Td * HHV * Eff * 0.98$$

$$Q = 47 \text{ tons} * 16.4 \text{ MMBtu} * .75 * .98$$

$$Q = 566.538 \text{ MMBtu}$$

$$\text{MWh} = 566.538 / 3.412 = 166 \text{ MWh} = 166 \text{ Class I Thermal REC}$$

Staff's review has determined that Mr. Sanborn's request, on behalf of Enfield Village School, to use an alternative methodology initially intended to allow facilities to generate RECs is reasonable in this situation. While the meter was not working, a New Hampshire licensed professional engineer, Mr Kohler, certifies the MMBtu generation can be justified based on pellet sales records and calculated using an alternative methodology. The alternative methodology is not a suitable long-term substitute for accurate metering, but in this instance it offers the Enfield Village School the ability to reasonably generate RECs and participate in the REC market.

In conclusion, Staff recommends that the Commission grant the requested rule waiver under Puc 201.05. Staff finds that the waiver will not disrupt the orderly and efficient resolution of matters before the Commission and will serve the public interest, where compliance with the rules would be onerous given the circumstances of the affected person and the purpose of the rules would be satisfied by the alternative method proposed.

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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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:

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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.