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February 6, 2015

**Via Electronic Mail**

Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429

**Re: DE 15-035, Electric Renewable Portfolio Standard – RSA 362-F:4, V and VI  
Adjustments to Renewable Class Requirements**

Dear Ms. Howland:

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities is pleased to provide comments to the Commission regarding the adjustments to Class III Renewable Portfolio Requirements as discussed in the Notice and Supplemental Notice opening Docket No. DE 15-035.

In the Notice issued by the Commission, the Commission asked for comments on the adjustment of Class III renewable portfolio requirements. It is expected that providers of electricity in New Hampshire will not be able to purchase sufficient Class III Certificates to satisfy either the 2014 or 2015 Class III Requirements and instead will make substantial Alternative Compliance Payment to the state in order to satisfy their Renewable Portfolio Standard requirements.

The cause of this situation is that the resources approved as Class III resources in New Hampshire meet the RPS requirements in other states in New England. As a result, the owners of NH Class III resources have the opportunity to sell their Certificates into other markets at a significantly higher price. In fact, Liberty Utilities has been unable to purchase Class III Certificates to meet its RPS obligations since 2012. A table showing where approved Class III resources are also approved to meet various state's RPS requirements and approximate market prices is attached. As shown, the Class III resources can be sold to meet other state's RPS obligations at higher prices than in New Hampshire.

While the language of RSA 362-F allows for the adjustment of the Class III requirement to a level "between 85 and 95 percent of the reasonably expected potential annual output of available eligible sources after taking into account demand from similar programs in other states", the problem is that the owners of Class III resources are unwilling to sell Certificates at

or below the Class III Alternative Compliance Rate. Therefore, the potential annual amount of output is zero. Since the market conditions in New England are not expected to change significantly in the period under review, Liberty Utilities recommends reducing the Class III requirement to zero until such time as when market conditions in New England change and it can be demonstrated that owners of Class III resources are willing to sell Certificates to New Hampshire's providers of electricity at a price below the Class III Alternative Compliance Rate.

Thank you for your consideration of our comments and we look forward to participating in any future discussion regarding this issue.

Very truly yours,

A handwritten signature in blue ink that reads "John D. Warshaw". The signature is fluid and cursive, with a long horizontal stroke at the end.

John Warshaw

cc: Service list

Plant Name	Unit Name	Location - Control Area	Fuel Type	Unit ID	CT Class I	CT Class II	MA RPS Class I Renewable Generation Unit	MA RPS Class II Renewable Generation Unit	ME Class I	ME Class II	RI New Renewable Resource	RI Existing Renewable Resource	NH Class III
WHITEFLD	BETHLEHEM	New England	Wood	MSS337	Yes	Yes	No	No	No	No	No	No	Yes
UNDERSMW	COVENTRY CLEAN ENERGY	New England	Landfill gas	MSS10801	Yes	No	Yes	No	No	No	Yes	No	Yes
UNDERSMW	FOUR HILLS LANDFILL	New England	Landfill gas	MSS943	Yes	No	No	No	No	No	No	No	Yes
UNDERSMW	GRANBY SANITARY LANDFILL QF	New England	Landfill gas	MSS1572	Yes	No	Yes	No	No	Yes	No	No	Yes
SYKES_RD	GRS-FALL RIVER	New England	Landfill gas	MSS1432	Yes	No	Yes	No	No	No	No	No	Yes
High Acres I	HA I CT I, RI Existing, MA I and NH III	New York	Landfill gas	IMP38399	Yes	No	Yes	No	No	No	No	Yes	Yes
High Acres I	HA I CT I, RI New, MA I and NH III	New York	Landfill gas	IMP38398	Yes	No	Yes	No	No	No	Yes	No	Yes
High Acres II	HA II CT I, ME I, RI New, MA I and NH III	New York	Landfill gas	IMP38403	Yes	No	Yes	No	Yes	No	Yes	No	Yes
NORTH_RD	HEMPHILL 1	New England	Wood	MSS436	Yes	No	No	No	No	No	No	Yes	Yes
Model City	Model City	New York	Landfill gas	IMP32515	Yes	No	Yes	No	No	No	Yes	No	Yes
Monroe - Livingston	Monroe - Livingston	New York	Landfill gas	IMP32530	Yes	No	No	Yes	No	No	No	No	Yes
Nanticoke LFG	Nanticoke LFG	New York	Landfill gas	IMP32676	No	No	Yes	No	No	No	No	No	Yes
Ontario	Ontario	New York	Landfill gas	IMP32561	Yes	No	Yes	No	No	No	No	No	Yes
FLAGG_PD	PINETREE POWER	New England	Wood	MSS538	Yes	No	No	No	No	Yes	No	No	Yes
UNDERSMW	ROCHESTER LANDFILL	New England	Landfill gas	MSS715	Yes	No	Yes	No	No	Yes	No	No	Yes
Seneca Falls Landfill	SENECA ENERGY	New York	Landfill gas	IMP32513	Yes	No	No	Yes	No	No	No	No	Yes
Seneca Falls Landfill	SENECA ENERGY - ME	New York	Landfill gas	IMP32804	Yes	No	No	Yes	Yes	No	No	No	Yes
Seneca Falls Landfill	SENECA ENERGY - ME & MA	New York	Landfill gas	IMP32847	Yes	No	Yes	No	Yes	No	No	No	Yes
TAMWORTH	TAMWORTH	New England	Wood	MSS592	Yes	Yes	No	No	No	No	No	No	Yes
UNDERSMW	TURNKEY LANDFILL	New England	Landfill gas	MSS253	Yes	No	No	Yes	No	Yes	No	No	Yes
<b>COUNT</b>					<b>19</b>	<b>2</b>	<b>11</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>20</b>
<b>ACP or Approximate Market</b>					<b>\$53.00</b>	<b>\$1.00</b>	<b>\$57.00</b>	<b>\$27.00</b>	<b>\$4.00</b>	<b>\$0.50</b>	<b>\$50.00</b>	<b>\$1.00</b>	<b>\$45.00</b>