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**Admitted in NH, MA, CT, ME, RI and UT*

Via First Class Mail and Electronic Mail

February 11, 2015

NHPUC 12FEB15 9:51

Debra Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South 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:

Enclosed for filing with the Commission in the above referenced docket on behalf of Electricity NH, LLC d/b/a ENH Power ("ENH Power") are an original and six (6) copies of:

1. The pre-filed Comments of ENH Power pursuant to the Commission's January 21, 2015 Order of Notice; and
2. Motion of ENH Power to Expand DE 15-035 to Include Consideration of REC Class I, II and IV Sources, or in the Alternative, Request of ENH Power that the Commission Initiate a New Investigation.

ENH Power will attend the Public Hearing, scheduled for February 12, 2015.

Thank you for your assistance with this filing. If you have any questions, please do not hesitate to contact me.

Sincerely,



Patricia M. French

cc: Service List in DE 15-035 (via electronic mail only)

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket DE 15-035

ELECTRIC RENEWABLE PORTFOLIO STANDARD

RSA 362-F:4, V and VI, Adjustments to Renewable Class Requirements

COMMENTS OF ENH POWER

Electricity NH, LLC d/b/a ENH Power (“ENH Power”) serves over 50,000 customers in New Hampshire as of January 31, 2015. ENH Power began providing retail competitive electric service to New Hampshire customers in August 2013, predominantly in the service territory of Public Service Company of New Hampshire (“PSNH”).

Like others, ENH Power went into the market in December 2014 and tried to locate available renewable energy certificates (“RECs”) for Class III sources that were below the amount set for alternative compliance payments (“ACP”). There were no resources priced below the ACP, which meant effectively there were no resources available. All New Hampshire RECs are being taken elsewhere and New Hampshire suppliers have been closed out of the REC market.

The consequence of this illiquid and non-transparent REC market is that all New Hampshire electricity suppliers are pricing electricity approximately one cent per kilowatt higher for every kilowatt sold in New Hampshire, or roughly an additional \$10 on every ratepayer bill per month to recover the cost associated with the ACP. New Hampshire’s Renewable Portfolio Standard (“RPS”) program has enjoyed broad support but without a functioning REC market, all it will have accomplished is to increase electric rates without the corresponding benefit of a cleaner environment.

ENH Power agrees with other proceeding participants that until there are sufficient numbers of RECs available at a price below the ACP, the annual output – as put by the statute – “reasonably expected of available eligible sources (after taking into account demand from RPS programs in other states” – is zero.

The Commission should be aware that the failure of the REC market is not just apparent in the availability of RECs for Class III sources. It is also obvious that the Commission should use the authority it has under RSA 362-F:4(V) to delay the portfolio requirement increase required for the Class I and II sources and also make the Class IV source RPS obligation zero. The impact of the REC market failure is exceptional – that is without a doubt – as it is expected to cause the ACPs for Class III sources paid by ENH Power to jump in 2014 to a 300% increase over 2013 (under a 3% obligation) and another jump in 2015 to a 600% increase over 2013, where it will stay there each year thereafter. Nevertheless, all the RECs for other Class sources are equally difficult to obtain and all are priced at ACP.

By 2016, ENH Power customers will see an increase in electric rates of \$3,131,698 – caused by increases across all REC class sources – if the full RPS program is not adjusted by the Commission to reflect current REC market conditions. As stated before, this equates to an additional cent per kw on each

customer's bill and all electricity suppliers are adding it to electricity supply costs to recover the costs of ACP from customers. In other words, customers are paying one cent per kilowatt, but are getting no increase in green energy for it because their suppliers are unable to use the RECs generated in New Hampshire to meet New Hampshire's RPS requirements.

For this reason, today ENH Power is filing a request that the Commission take immediate action to halt the impact of this market impairment for all Classes of sources (I, II, III and IV) until the market becomes liquid, transparent and regionally uniform in its impact on ratepayers.

ENH appreciates the opportunity to provide these comments on this important issue.

Respectfully submitted,
ELECTRICITY NH, LLC D/B/A/ ENH POWER

By Its Attorneys,

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Dated: February 11, 2015

Certificate of Service

I hereby certify that on this 11th day of February 2015, a copy of the foregoing Appearance has been sent by email to the service list for this docket.



Patricia M. French

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket DE 15-035

ELECTRIC RENEWABLE PORTFOLIO STANDARD

RSA 362-F:4, V and VI, Adjustments to Renewable Class Requirements

**MOTION OF ENH POWER TO EXPAND
PROCEEDING TO INCLUDE REC CLASS I, II and IV SOURCES,
OR IN THE ALTERNATIVE,
REQUEST OF ENH POWER THAT THE COMMISSION INITIATE A NEW INVESTIGATION**

Provider Power, the parent company of Electricity NH, LLC d/b/a ENH Power (“ENH Power”), has active retail electricity operations in New Hampshire, Maine and Massachusetts. ENH Power is serving over 50,000 customers in New Hampshire as of January 31, 2015. ENH Power began providing retail competitive electric service to New Hampshire customers in August 2013, predominantly in the service territory of Public Service Company of New Hampshire (“PSNH”).

On January 21, 2015, the New Hampshire Public Utilities Commission (“NHPUC” or the “Commission”) issued an order of notice setting a public hearing date in this docket. The Commission identified that providers of electricity in other states were purchasing renewable energy certificates (“RECs”) from New Hampshire renewable sources to comply with other states’ Renewable Portfolio Standard (“RPS”) requirements. Accordingly, the Commission stated its interest in hearing public comment on the availability of sufficient RECs to satisfy the portfolio requirements for Class III sources, and the potential financial impact on electric suppliers of that situation, due to excessive alternative compliance payments (“ACP”) for compliance with the Class III portfolio requirement. For the reasons set forth herein, ENH Power respectfully requests the Commission expand its investigation in Docket DE 15-035 to include REC Class I, II, and IV sources. In the alternative, ENH Power requests that the Commission open a new investigation to consider the impact of the lack of liquidity, transparency, and regional uniformity on the availability of RECs for all Class portfolio sources, and specifically consider modifying either the portfolio requirement or the ACP, as each may be permitted by law.

As justification therefor, ENH Power states that ENH Power went into the market in December 2014 and tried to locate available resources for all Class sources and at a price below the ACP. There were no resources below the ACP, which means effectively there were no resources available to purchase. As this Commission is aware, all New Hampshire RECs are being purchased by out-of-state purchasers or used by New Hampshire electric suppliers for out-of-state RPS obligations. Therefore, dedicated New Hampshire retail electric suppliers such as ENH Power are effectively closed out of the REC market for the purpose of meeting their New Hampshire RPS mandate. The first consequence of this market impairment is that New Hampshire electric suppliers pay a hefty penalty that is reflective only of the failed REC market, not as a result of any lack of attention to the RPS.

However, the second and most harmful consequence of this illiquid and non-transparent REC market is that all participants (including New Hampshire’s utilities) are pricing electricity approximately one cent per kilowatt higher for every kilowatt sold in New Hampshire, or roughly an additional \$10 on every ratepayer bill per month, to recapture the ACP from ratepayers. The RPS program has enjoyed broad public support, but without a functioning REC market, all it is accomplishing is unnecessarily exacerbating the high electric rates already borne by New Hampshire residents and businesses.

Until there are sufficient numbers of RECs for each and every Class source available at a price below the ACP, the market will continue to fail and customers will continue to pay for such market failures. The fundamental problems facing the REC market are not just limited to the availability of RECs for Class III sources. The Commission therefore should use its authority under RSA 362-F:4(V) to delay the portfolio increase required for the Class I and II sources and also make the Class IV source obligation zero, as permitted under RSA 362-F:4(VI). While the impact of the REC market failure for Class III sources is exceptional, the ability of electric suppliers to obtain RECs for all the other Class sources is equally difficult as all are priced at ACP. ENH Power's customers will see an overall increase in electric rates by 2016 of \$3,131,698 – caused by increases across all portfolio classes – if the RPS program is not adjusted to reflect current REC market conditions. The impact will be widespread and not unique to ENH Power. Customers of every electric supplier, including the state's incumbent utilities, will pay for a program that is incapable of meeting its objectives because of the demand for New Hampshire RECs by RPS participants in other states.

For these reasons, the Commission should take immediate action to halt the impact of this market impairment for all REC classes until the market becomes liquid, transparent, and regionally uniform in its impact on New Hampshire electric ratepayers. ENH Power respectfully requests the Commission expand its investigation in Docket DE 15-035 to include REC Class I, II and IV sources, or in the alternative, ENH Power requests that the Commission open a new investigation to consider the impact of the lack of liquidity, transparency and regional uniformity on the availability of RECs for all Class portfolio sources, and specifically consider modifying either the portfolio requirement or the ACP, as each may be permitted by law.

Respectfully submitted,
ELECTRICITY NH, LLC D/B/A/ ENH POWER

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Dated: February 11, 2015

I hereby certify that on this 11th **Certificate of Service** day of February 2015, a copy of the foregoing Appearance has been sent by email to the service list for this docket.


Patricia M. French