



DE 15-035

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

RE: Docket No. DE 15-035
Electric Renewable Portfolio Standard
RSA 362-F:4, V and VI, Adjustments to Renewable Class Requirements
Comments of Eversource Energy

Dear Director Howland:

On January 21, 2015, the Commission issued an order of notice in the above-captioned docket that, among other things, identified concerns about the availability of Class III (existing biomass) Renewable Energy Certificates (“RECs”) in New Hampshire. The order of notice set a public statement hearing for February 12, 2015 for the purpose of accepting comments on whether or how to adjust the Class III REC requirement for compliance years 2014 and 2015 in light of the identified scarcity of RECs in New Hampshire. Prior to the public statement hearing, Electricity NH, LLC d/b/a ENH Power (“ENH”) filed a motion in the docket requesting that the scope of the docket be expanded, or a new proceeding opened, to review potential adjustments to the other REC classes, in addition to Class III.

Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”), along with other stakeholders, appeared and offered comments at the Commission’s public statement hearing. In its comments Eversource affirmed that Class III RECs had been impossible to procure in New Hampshire since approximately 2011 and that the scarcity of RECs in New Hampshire was expected to last through at least compliance year 2015. Eversource, along with others, recommended that the Commission substantially reduce the Class III requirement and stated that it would support even bringing the requirement to zero. Eversource did not comment on the motion filed by ENH. Following the hearing, the Commission issued a supplemental notice stating that it would accept written comments, and any objections to ENH’s motion, through February 23, 2015. Eversource hereby provides additional comments consistent with the Commission’s supplemental notice.

Initially, and with respect to ENH’s motion, Eversource takes no position on whether the Commission should broaden the scope of this review to include the other REC classes or whether a new docket should be opened to conduct a more comprehensive review. Eversource does, however, make clear that if the Commission determines that a wider review is appropriate, such review should not impede any action by the Commission relative to the Class III requirement

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that is the subject of the initial order of notice. The earlier the Commission acts on the Class III requirement issue, the earlier that load serving entities, such as Eversource, will be able to include such changes in customers' rates. While Eversource cannot say with any certainty how, or if, other entities might pass any savings from a reduction in the REC obligation to customers, any reduction to Eversource's REC obligations will be factored into customers' rates as immediately as possible to provide relief from substantial costs associated with the Class III REC obligation.

To the more direct issue of the potential amendments to the Class III requirements for compliance years 2014 and 2015, Eversource reiterates that it has been essentially impossible to obtain such RECs in New Hampshire for years, and appears very likely that it will remain so. This has resulted in Eversource having to make substantial Alternative Compliance Payments ("ACPs") in lieu of obtaining RECs. Eversource estimates that for compliance years 2014 and 2015, its ACPs for Class III alone will be approximately \$3.6 million and \$14.4 million, respectively. That cost is included in Eversource's rates and paid by customers. It is Eversource's opinion that ACPs of that magnitude were not intended by the Legislature in implementing the Renewable Portfolio Standard, RSA chapter 362-F, and adjustments for both years must be made.

In prior reviews such as this the Commission has deferred action for multiple compliance years in favor of monitoring regional developments. *See, e.g.*, Order No. 25,674 (June 3, 2014) in Docket No. DE 14-104. In this instance there is no need for such deferral. The comments of essentially all stakeholders at the February 12, 2015 hearing, including those from the representative of the majority of Class III REC producers in New Hampshire, supported the conclusion that Class III RECs will continue to be restricted in New Hampshire through at least compliance year 2015. Accordingly, Eversource supports the Commission exercising its authority pursuant to RSA 362-F:4, VI to modify the requirement for Class III RECs and to reduce the requirement to zero, or very close to zero, for compliance years 2014 and 2015.

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

Very truly yours,



Matthew J. Fossum
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Cc: Service List