



February 23, 2015

BY OVERNIGHT AND ELECTRONIC MAIL

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. 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, Adjustment to Renewable Class Requirements
Additional Comments of Unitil Energy Systems, Inc.**

Dear Director Howland:

At the Public Hearing held in the above-referenced docket February 12, 2015, the Public Utilities Commission ("Commission") extended the public comment period until February 23, 2015, to provide interested parties an opportunity to file comments on the NH Class III renewable energy requirements and on Electricity NH, LLC d/b/a ENH Power's ("ENH Power") motion to expand the docket. Please accept this letter as the additional comments of Unitil Energy Systems, Inc. ("UES").

UES reiterates its previously filed recommendation that the Commission reduce the Class III RPS percentage requirement from 3.00% to 0.00% for calendar year 2014, and reduce the Class III percentage requirement from 8.00% to 0.00% for calendar year 2015. The discussion during the Public Hearing indicated a general consensus that the expected annual output of available eligible resources for NH Class III RECs, after taking into account the demand for similar programs in other states, is effectively zero. Given what has been revealed in the marketplace to date, setting the RPS requirement at any level above 0.00% for 2014 and 2015 would essentially ensure a flow of funds for full compliance into the New Hampshire Renewable Energy Fund. While this is the correct alternative mechanism by which utilities can meet compliance, the Commission has the opportunity to set the requirements at 0.00% for these two compliance years. The benefit of doing so is twofold: (1) it will reduce the impact to ratepayers, as the cost of compliance flows through to electric rates; and (2) it avoids the possibility that the collected funds would be used for non-renewable activities.

On February 11, 2015, ENH Power filed a Motion to Expand the Proceeding to Include REC Class I, II and IV Sources, or in the Alternative, Request that the Commission Initiate a New Investigation. UES is generally supportive of ENH Power's

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Motion and agrees that it would be in the public interest to revisit all the RPS class requirements for the reasons discussed in the Motion. However, UES believes that it would be more administratively efficient to initiate a new docket to revisit the Class I, II and IV RPS requirements, so as not to delay resolution of or divert discussion away from the Class III issue in the instant docket. The factors impacting the NH Class III RPS requirements are somewhat unique in that the market cannot respond with new additional supply, whereas Classes I, II and IV still have the ability to do so if market conditions change.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Epler". The signature is fluid and cursive, with the first name "Gary" and the last name "Epler" clearly distinguishable.

Gary Epler
Attorney for Unifil Energy Systems, Inc.

cc: Service list (via e-mail)