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

**PETITION FOR AUTHORIZATION PURSUANT TO RSA 362-A:2-A, II
FOR A PURCHASE OF LEEPA OUTPUT BY THE PRIVATE SECTOR**

Dear Ms. Howland:

Enclosed for filing on behalf of Freedom Logistics, LLC d/b/a Freedom Energy Logistics ("FEL") is an original and seven (7) copies of a Petition for Authorization Pursuant to RSA 362-A:2-A, II for a Purchase of LEEPA Output by the Private Sector.

Introduction

In 1978, the New Hampshire General Court enacted the Limited Electrical Energy Producers Act (LEEPA), codified at RSA chapter 362-A, to encourage "small scale and diversified sources of supplemental electrical power to lessen the state's dependence upon other sources which may, from time to time, be uncertain." RSA 362-A:1. In 1979, the legislature added RSA 362-A:2-a to LEEPA to further that same objective. RSA 362-A:2-a allows a facility that produces not more than 5 megawatts of power by means of renewable resources or cogeneration to sell power directly to not more than 3 end users.

In 1995, the Commission issued a declaratory ruling that RSA 362-A:2-a is a valid exercise of state police powers which is not preempted by federal law. The declaratory ruling addresses only the constitutionality of RSA 362-A:2-a, and does not authorize any particular proposed arrangement for retail wheeling. Re Cabletron Systems, Inc., DR 95-095, Order No.

21,850, 80 NH PUC 620, (October 3, 1995)¹.

It has been 36 years since the legislature enacted RSA 362-A:2-a, and 20 years since the Commission issued its Order that RSA 362-A:2-a is a valid exercise of state police powers which is not preempted by Federal law. No LEEPA facility during this extended period has been willing to litigate to determine the manner in which RSA 362-A:2-a is to be implemented.

FEL intends to enter into an agreement with Fiske Hydro, Inc., a LEEPA facility, to purchase 5 Kw of the output of the Fiske Hydro Project (“Fiske Hydro”). This Petition seeks authorization from the Commission pursuant to RSA 362-A:2-a, II for the transaction set out hereinafter, and provides factual representations and other information in support thereof.

The Purchaser

FEL is a delivery customer of Public Service Company of New Hampshire’s (Rate G) with a service location at 5 Dartmouth Drive, Unit 8, Auburn, New Hampshire 03032. FEL is a licensed aggregator in New Hampshire and pioneered the concept of a Market Participant End Users purchasing electricity at wholesale from the ISO-NE wholesale market. A predecessor of FEL successfully obtained a decision from the NH Supreme Court in 1995 that utility franchise territories are not exclusive.

The Seller

The Fiske Hydro Project (“Fiske Hydro”) is located at 15 Main Street in Hinsdale, New Hampshire. Fiske Hydro is interconnected to PSNH’s local distribution system. The Commission certified Fiske Hydro as a Class IV renewable energy source on November 30, 2012. In early 2014, Fiske Hydro was awarded a \$225,000 grant by the New Hampshire Public Utilities Commission to increase its generating capacity to 535 KW. Presently, Fiske Hydro anticipates that it will complete this work on or before April 1, 2015. At that time, Fiske Hydro anticipates that it will convert its New Hampshire Class IV certification to a New Hampshire Class I certification.

Since June 2008, Fiske Hydro has sold its output to PSNH at PSNH’s Short Term Avoided Cost Rate. Fiske Hydro does not pay any wheeling or transmission costs to PSNH.

Description of the Proposed Transaction

Pursuant to RSA 362-A:2-a, FEL intends to consummate an agreement with Fiske

¹ Counsel for FEL in the present matter also served as Cabletron’s counsel in the 1995 matter.

Hydro to purchase 5 KW of the output of the Fiske Hydro Project. Under the transaction, FEL will pay Fiske Hydro one hundred fifty percent (150%) of PSNH's Short Term Avoided Cost Rate for each kilowatt-hour delivered to FEL's meter. PSNH will deduct the kilowatt-hours sold by Fiske Hydro to FEL and delivered to FEL's meter from the total usage recorded on FEL's meter. PSNH will render monthly bills to FEL based upon total usage net of the kilowatt-hours purchased from Fiske Hydro.

FEL will pay to PSNH any costs as determined by the Commission (net of locational value resulting from avoided transmission and distribution costs, and avoided line losses) incurred in wheeling and delivering the 5 KW of the output of Fiske Hydro to FEL's meter.

Conclusion

One of the key recommendations of the 2014 New Hampshire State Energy Strategy is to "encourage distributed generation." The foregoing FEL/Fiske Hydro agreement is intended to breathe life into the long-dormant provisions of RSA 362-A:2-a and is entirely consistent with the the key component of the 2014 New Hampshire State Energy Strategy to "encourage distributed generation."

Sincerely,

/s/ James T. Rodier