

STATE OF NEW HAMPSHIRE**Inter-Department Communication****DATE:** June 25, 2018**AT (OFFICE):** NHPUC**FROM:** Deandra Perruccio, Energy Analyst *DP***SUBJECT:** REC18-085, RREC 18-0485 Rockingham County Finance Office
Request for Authorization to Produce Thermal Renewable Energy
Certificates Beginning on June 6, 2018, Waiver of Puc 2505.04(i)**TO:** Martin P. Honigberg, Chairman
Kathryn M. Bailey, Commissioner
Michael S. Giaimo, Commissioner
Debra A. Howland, Executive Director**CC:** Karen P. Cramton, Director, Sustainable Energy Division *KPC*
David K. Wiesner, Staff Attorney

In a letter dated May 18, 2018, the Rockingham County Finance Office (Rockingham County) requested a waiver from the provisions of N.H. Code Admin. Rules Puc 2505.04(i) to allow its thermal biomass facility to produce Class I Thermal renewable energy certificates (RECs) beginning on its REC eligibility date, rather than on the first day of the calendar quarter following its stack test. The Rockingham County biomass facility is located at 116 North Road in Brentwood, New Hampshire. If the waiver is granted, the effective date of its REC certification (i.e., REC eligibility date) would be June 6, 2018, the date on which its complete application was submitted to the Commission, pursuant to Puc 2505.01(c).

Under Puc 2505.04(i), a thermal biomass facility is required to conduct a "one-time stack test prior to the first quarter in which the unit intends to produce RECs." Rockingham County conducted a stack test at its thermal biomass facility on April 11, 2018, during the second calendar quarter of 2018. The stack test results were submitted to the New Hampshire Department of Environmental Services (NHDES), and were subsequently reviewed and verified by NHDES. Under Puc 2505.04(i), the facility would be precluded from producing Class I Thermal RECs until the start of the following calendar quarter on July 1, 2018.

In its request, Rockingham County described the innovative financing mechanism used to fund its biomass facility, which leveraged REC revenues to secure and repay its loan obligations. Rockingham County stated that the waiver would qualify the facility to produce Class I Thermal RECs approximately four weeks earlier, thus enabling Rockingham County to begin repayment of its loan sooner.

Given that the stack test was conducted in April and the test results were approved by NHDES on June 5, 2018, Staff recommends that the Rockingham County thermal biomass facility be authorized to produce Class I Thermal RECs beginning on the date its REC application was complete, June 6, 2018, rather than the first day of the quarter following its stack test, July 1, 2018. NHDES has indicated it supports the waiver requested. Approval of Staff's recommendation would allow the facility an additional 24 days of Class I Thermal REC production and revenues. This, in turn, would serve the public interest by permitting the Rockingham County biomass facility to produce more Class I Thermal RECs to meet Renewable Portfolio Standard requirements, thereby increasing the availability of Class I Thermal RECs in the market.

In conclusion, Staff recommends that the Commission grant a waiver of Puc 2505.04(i) to permit the Rockingham County thermal biomass facility to produce Class I Thermal RECs beginning on June 6, 2018 as its certified REC eligibility date. Staff believes that the recommended rule waiver may be granted in this instance under Puc 201.05 because the limited waiver proposed would not disrupt the orderly and efficient resolution of matters before the Commission and would serve the public interest, inasmuch as compliance with the rules would be onerous given the circumstances of the affected person and the purpose of the rules would be satisfied by the alternative method proposed.

SERVICE LIST - EMAIL ADDRESSES- DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**