

STATE OF NEW HAMPSHIRE**Inter-Department Communication****DATE:** June 22, 2018**AT (OFFICE):** NHPUC**FROM:** Deandra Perruccio, Energy Analyst DP?**SUBJECT:** REC18-088 and RREC 17-90017 Keene State College Request for Earlier Eligibility Date, Waiver of Puc 2505.01(c) Effective Date of Certification, for Expanded Thermal Biomass Facility**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 KPCU
David K. Wiesner, Staff Attorney

In a letter dated May 24, 2018, Keene State College (KSC) requested that the Commission revise the effective date of certification (i.e., the Renewable Energy Certificate (REC) eligibility date) for the expansion of its Class I Thermal energy production facility located at 229 Main Street in Keene, New Hampshire. The KSC facility expansion received REC Authorization from the Commission on April 17, 2018 (RREC 17-90017), with an effective certification date of April 10, 2018. KSC requested that the REC eligibility date be changed from April 10, 2018 to January 11, 2018, which was the date the engineer submitted stack test results to the New Hampshire Department of Environmental Services (NHDES). Staff has determined that KSC's request requires the waiver of N.H. Code Admin. Rules Puc 2505.01(c), as described below.

The KSC request for authorization to produce RECs beginning on January 11, 2018 would also require a waiver of Puc 2505.04(i), which requires a thermal biomass facility to conduct a stack test prior to the first quarter in which the facility intends to produce RECs, if that requirement is interpreted to mean that the stack test results must be reported to NHDES and verified by NHDES during the preceding quarter.

KSC submitted evidence that a stack test for the facility, as expanded to include Boiler No. 2, was conducted on December 12 and 13, 2017. Stack test results were submitted to NHDES by KSC's engineering consultants on January 11, 2018. The stack test results for the KSC facility expansion Boiler No.2 were reviewed and verified by NHDES, which affirmed that the expanded facility meets applicable emissions requirements.

Under Puc 2505.01(c), the effective date of REC certification is the date that a completed application is submitted to the Commission. A completed application for the KSC facility expansion was submitted to the Commission on April 10, 2018. However, given that this application involves the expansion of an existing, previously-authorized thermal facility, and the expanded facility stack test results were subsequently approved by NHDES, Staff recommends that the REC eligibility date be revised to be the first day of the calendar quarter following completion of the stack test on December 13, 2017, rather than the date the engineer's letter was sent to NHDES or the date NHDES verified the stack results. NHDES is in support of using the stack test date as the basis for REC eligibility, instead of using the date of the engineer's letter or the date of its verification of the test results.

Based on that interpretation of the relevant date on which REC eligibility may be based, changing the eligibility date for the expanded KSC facility to January 1, 2018 would not require a waiver of Puc 2505.04(i). If the change in eligibility date is approved, then the expanded KSC facility will be able to produce RECs beginning in the first quarter of 2018.

Approval of Staff's recommendation would allow the facility an additional three months of Class I Thermal REC production and revenues. That would serve the public interest by permitting the expanded KSC facility to produce more Class I Thermal RECs to meet RPS 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 2505.01(c) to permit the REC eligibility date for the expanded KSC facility to be changed to January 1, 2018, the first day of the calendar quarter following completion of the stack test on December 13, 2017. 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 efficiency 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.

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Executive.Director@puc.nh.gov

amanda.noonan@puc.nh.gov

david.wiesner@puc.nh.gov

dduffy1@keene.edu

deandra.perruccio@puc.nh.gov

karen.cramton@puc.nh.gov

leszek.stachow@puc.nh.gov

sandy.deno@puc.nh.gov

tom.frantz@puc.nh.gov

Docket #: 18-088-1 Printed: June 22, 2018

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DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

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