

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: March 26, 2019

AT (OFFICE): NHPUC

FROM: Jason Morse, Energy Analyst, Sustainable Energy Division

SUBJECT: REC 19-056 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
David K. Wiesner, Director, Legal Division
Mary Schwarzer, Legal Division

By way of background, the Keene State College (KSC) Class I Thermal energy production facility is located at 229 Main Street in Keene, New Hampshire. It originally received Renewable Energy Certificate (REC) authorization on July 27, 2017, for a 5.886 MW system capacity. On April 17, 2018, the KSC received REC authorization for a 6.866 MW system capacity expansion. The Commission also granted a rule waiver request to approve an effective certification date of January 1, 2018 for the expansion.

In a submission dated February 25, 2019, KSC filed a complete application and documentation requesting certification of REC eligibility for a second 6.866 MW system capacity expansion, increasing its total capacity to 19.618 MW. As part of the submission, KSC requested an effective certification date of October 1, 2018, for the new expansion. Commission Staff has determined that KSC's request requires a waiver of N.H. Code Admin. Rules Puc 2505.01(c).

Under Puc 2505.01(c), the effective date of REC eligibility is the date that a completed application is submitted to the Commission. As stated, a completed application for the KSC's second facility expansion was submitted to the Commission on February 25, 2019. However, the date the facility began to use eligible biomass fuel to create useful thermal energy as a result of the second expansion was September 14, 2018. Staff has verified that -- with the exception of the date paperwork was submitted to the Commission, -- KSC met all other REC certification requirements for its total capacity of 19.618 MW on

September 14, 2018. Therefore, Staff recommends that the Commission approve a REC effective eligibility date of September 14, 2018.

Approval of Staff's recommendation would allow the facility to obtain approximately five more months of Class I Thermal RECs and related revenues that were directly related to the most recent system capacity expansion. In the alternative, KSC would be unable to obtain RECS for useful thermal energy it nonetheless produced, and would lose related revenue. Approving a waiver to grant an effective certification date of September 14, 2018 would serve the public interest by supporting KSC's initiative in expanding its facility, and by increasing the availability of Class I Thermal RECs for the 2018 and 2019 RPS compliance years.

In conclusion, Staff recommends that the Commission grant a waiver of Puc 2505.01(c) to permit the REC eligibility effective certification date for the expanded KSC facility to be September 14, 2018, the first day the newly expanded facility utilized an eligible biomass fuel for thermal purposes. The proposed waiver would not disrupt the orderly and efficient resolution of matters before the Commission and, for reasons explained above, would serve the public interest, as required by Puc 201.05, by relieving KSC of an onerous financial impact and relieving the REC market from unnecessary constriction.

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