

STATE OF NEW HAMPSHIRE**Inter-Department Communication****DATE:** July 31, 2019**AT (OFFICE):** NHPUC

FROM: Jason Morse, Energy Analyst, Sustainable Energy Division

SUBJECT: DE 19-122 and RREC 17-90015, DG Whitefield, LLC
Request for Waiver of Puc 2505.04(h) (1) Timing of Relative
Accuracy Test Audit (RATA) and REC Eligibility in Current Quarter

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*
Mary Schwarzer, Legal Division

DG Whitefield, LLC (DG Whitefield) has requested a waiver of N.H. Code Admin. Rules Puc 2505.04(h)(1), which requires biomass electric generation facilities to verify compliance with NOx emission standards through periodic testing of their continuous emission monitors. Staff recommends that the requested waiver be granted.

By way of background, DG Whitefield is an electric generation facility located at 260 Airport Road in Whitefield, New Hampshire. It originally received renewable energy certificate (REC) authorization effective as of March 13, 2017, for its 18.8 MW system capacity. The facility's generation up to and including 100,474.67 MWh is authorized for Class III REC production, while all generation greater than 100,474.67 MWh is authorized for Class I REC production.

As an electric biomass technology, DG Whitefield's eligibility to produce RECs is conditioned upon compliance with rules regarding emissions controls and testing requirements. One of those rules, Puc 2505.04(h)(1), requires DG Whitefield to verify compliance with the applicable NOx emissions standards through continuous emission monitors. In relevant part, the rule provides that:

A biomass facility shall conduct a relative accuracy test audit [RATA] of the continuous emission monitor to certify the accuracy of the NOx emissions data at least once every 4 calendar quarters, and prior to the quarter for which the facility first wishes to produce RECs.

See Puc 2505.04(h)(1). A RATA is a test and calibration performed on the facility's continuous NOx emissions monitors to ensure that they are accurate. The RATA is witnessed by the New Hampshire Department of Environmental Services (NHDES).

DG Whitefield's most recent RATA was conducted in the second calendar quarter of 2018. Douglas York, the facility's plant manager, explained that the facility unexpectedly discontinued operations early in the second quarter of 2019 for financial reasons. Because the facility was not operational during the rest of that quarter, the facility was unable to perform the RATA. The facility now intends to resume operations during the third quarter of 2019.

Accordingly, DG Whitefield filed a letter with the Commission on July 17, 2019, requesting a waiver of Puc 2505.04(h)(1) so that the RATA requirement does not become a barrier to the facility's eligibility to produce RECs. DG Whitefield asks that the rule waiver be granted with the contingency that the facility complete a successful RATA promptly following its return-to-service date. DG Whitefield also asks that the facility remain eligible to produce RECs for all generation produced during the third quarter.

Staff has reviewed the request and recommends that, pursuant to Puc 201.05,¹ the Commission approve a one-time waiver of Puc 2505.04(h)(1) for the DG Whitefield facility, contingent upon completion of a RATA within 60 days following the date that operations resume. The RATA must be accepted by NHDES. Staff recommends that all production beginning with the date that operations resume be considered eligible to produce New Hampshire RECs, so long as the RATA is completed and acceptable and all other emissions criteria are met.

The requested rule waiver would serve the public interest, in that the purpose of Puc 2505.04(h)(1) is to assure that NOx emissions monitors are, and remain, accurate. That purpose would be satisfied when the facility performs a RATA promptly after resuming operations. Staff believes that the rule is not intended to require the facility to forgo REC eligibility, where the delay in performing the RATA was not due to the facility's neglect but its operational status, and so long as the RATA is successful and the facility meets all other emissions criteria. Waiver would also serve the public interest by avoiding a

¹ Under Puc 201.05, the Commission must waive the provisions of any of its rules, except where precluded by statute, upon request by an interested party, or on its own motion, if it finds that (1) the waiver serves the public interest, and (2) the waiver will not disrupt the orderly and efficient resolution of matters before the Commission. In determining the "public interest," the Commission shall waive a rule if either compliance with the rule would be onerous or inapplicable given the circumstances of the affected person, or the purpose of the rule would be satisfied by an alternative method proposed.

decrease in the availability of New Hampshire Class I and Class III RECs for the 2019 compliance year.

NHDES agrees that the rule is not intended to make the facility ineligible for REC production under these circumstances. NHDES suggests that 60 days would allow enough time for a RATA to be completed, while simultaneously avoiding potential scheduling issues with the testing contractor and NHDES personnel. Staff believes that the proposed 60-day period is reasonable.

In sum, the intent of the rule would be satisfied if the RATA is acceptable and completed promptly following the facility's return to operation. The proposed waiver would serve the public interest and would not disrupt the orderly and efficient resolution of matters before the Commission. Accordingly, the rule waiver criteria are met and Staff recommends that the Commission grant the requested waiver. *See* Puc 201.05.

Executive.Director@puc.nh.gov

amanda.noonan@puc.nh.gov

Mary.Schwarzer@puc.nh.gov

ocalitigation@oca.nh.gov

richard.chagnon@puc.nh.gov

tom.frantz@puc.nh.gov

York-d@ewprc.com