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January 10, 2020

Via Overnight-Mail and Electronic-Mail

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit St, Suite 10
Concord, N.H. 03301-2429

RE: Docket DE 19-203, Adjustment to Renewable Portfolio Standard Class III Requirements
Comments of Unitil Energy Systems, Inc.

Dear Secretary Howland,

Unitil Energy Systems, Inc. d/b/a Unitil appreciates the opportunity to provide comments regarding possible adjustments to the Class III Renewable Portfolio Standard (RPS) requirements as discussed in the Order of Notice opening Docket 19-203.

Due to recent market changes, it is expected that providers of electricity in New Hampshire will be unable to purchase sufficient Class III certificates in 2019 and instead will be making Alternative Compliance Payments (ACPs) for partial fulfillment of the requirements. Although Unitil has procured and contracted for enough Class III RECs to fulfill the Company's 8% statutory requirement for 2019, this by no means indicates that sufficient supply of certificates exists in the current and future environment for all retail suppliers. As the Commission has noted, approximately 30% of the total capacity of certified Class III facilities have either experienced temporary or complete shutdowns in operation.

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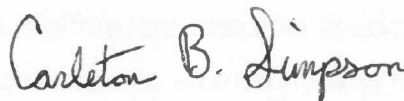
Pursuant to RSA 362-F, the Commission is authorized to adjust the compliance requirements to "between 85 and 95 percent of the reasonably expected potential output of the available eligible resources after taking into account demand from similar programs in other states". Given this statutory authority, the Company encourages the Commission to adjust the Class III RPS requirements appropriately to balance supply and demand in the market. The known reduction in generating capacity will likely cause an undersupply in the Class III market, forcing retail energy suppliers to pay ACPs. Therefore, appropriate Class III compliance requirement adjustments should lower the competitive REC price for ratepayers below ACP.

Unitil appreciates the opportunity to provide feedback regarding the NH RPS Class III requirements and welcomes participation in future discussions. Please do not hesitate to contact us if you have any additional questions concerning this matter.

Sincerely,



Robert S. Furino
Director, Energy Contracts
Unitil Service Corp.



Carleton B. Simpson
Attorney for Unitil Service Corp.