

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 19-203

ELECTRIC RENEWABLE PORTFOLIO STANDARD

Adjustment to Renewable Portfolio Standard Class III Requirements

SUPPLEMENTAL COMMENTS OF THE BRIDGEWATER POWER COMPANY

NOW COMES the Bridgewater Power Company (“BPC”), by and through its attorneys, Donahue, Tucker, & Ciandella, PLLC, and hereby submits the following comments with regard to the proposal identified in the above-referenced docket.

1. The Commission issued an Order of Notice on December 24, 2019 in this Docket, in which the Commission stated that, pursuant to RSA 362-F:4, VI, it was considering a modification to the Class III Renewable Energy Credit (“REC”) purchase requirements for compliance year 2019 from the 8.0% established under New Hampshire Renewable Portfolio Standard (“NHRPS”). The reason set forth for the Commission’s consideration was the reported lack of availability of Class III RECs in the market due to reported temporary and permanent closures of Class III certified biomass facilities, which, in turn, has reportedly caused Load Serving Entities (“LSEs”) to have to make increased alternative compliance payments (“ACPs”).

2. The Commission held a public comment hearing in the above-referenced matter on January 13, 2019. During the public comment hearing, the Commission stated that the Commission would continue accept written comments through January 21, 2020. BPC submits these supplemental comments.

3. During the public comment hearing, the Commission heard comment from, amongst others, Public Service Company of New Hampshire d/b/a Eversource Energy, Unitil

Energy Services, and the New Hampshire Electric Cooperative. Each distribution entity reported that they had met, or were close to meeting, the eight percent (8%) purchase requirement for Class III RECs.¹ BPC agrees with DES' assessment that, the New Hampshire REC may not be as short as it is perceived to be. As such, there is no anticipated adverse impact to ratepayers if the purchase requirements were left unchanged.

4. Rather, of the non-utility Load Serving Entities ("LSEs") that serve a limited number of commercial and residential customers only one provided oral comments. This LSE did not report being incapable of procuring sufficient Class III RECs or that they did not have sufficient RECs banked to satisfy RPS purchase requirements. Further, even if a non-utility LSE failed to obtain sufficient Class III RECs, a reduction in the Class III REC purchase requirements will not have a benefit to the customers of non-utility LSEs because (1) non-utility LSEs are not required to share any cost-savings to customers and (2) the imbedded cost of the RPS has likely already been included in the energy these customers have already purchased during calendar year 2019. Instead, if the Class III REC purchase requirement were reduced, non-utility LSEs would experience a commercial gain either through the ability to bank already obtained Class III RECs and/or reduction in future Class III REC prices as well as not incurring any ACP penalty.

5. In short, BPC respectfully asserts that this Commission has not received sufficient evidence to justify a reduction in the Class III REC purchase requirement under RSA 362:4, VI and Rule PUC 2503.01(f). A reduction in the Class III REC purchase requirement appears unnecessary and unwarranted at this time. Such a change will result in no appreciable benefit to ratepayers, but will have a detrimental impact to the REC market and will jeopardize the continued

¹ Although Liberty Utilities did not submit comment, upon information and belief, it is expected that Liberty Utilities will also meet its Class III REC purchase requirements.

operation of biomass facilities. A reduction at this time would only embolden LSE's to offer low prices in future calendar years and force further suspended operations of qualified Class III generators knowing the commission will lower the purchase requirement if supply is constrained. The risk of having to pay ACP's is the only incentive for LSE's to bargain in good faith with generators, maintaining market integrity.

6. To maintain the intention of the RPS program and the integrity of the market, Bridgewater stands by its original comments that no reduction in the purchase requirement should occur in compliance year 2019.

7. BPC appreciates the Commissions thought and consideration.

Respectfully submitted,
BRIDGEWATER POWER COMPANY
Through its Attorneys
DONAHUE, TUCKER & CIANDELLA, PLLC

 FOR

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Certificate of Service

I hereby certify that I served a copy of this filing pursuant to Puc 203.11(c) to the current service list in this Docket this 21st day of January, 2020.

 FOR

Eric A. Maher, Esq.