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Attorney

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Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301-2429

Re: Docket No. DE 19-203 - Adjustments to Renewable Portfolio Standard Class III Requirements

Dear Executive Director Howland:

I represent New Hampshire Electric Cooperative, Inc. ("NHEC").

NHEC appreciates the opportunity to offer written comments to the Public Utilities Commission ("the Commission") as it considers making an adjustment to the Class III Renewable Portfolio Standard (RPS) requirement for the 2019 compliance year. Please accept these comments as supplemental to NHEC's verbal comments offered at the Monday, January 13, 2020 public comment hearing.

NHEC fully complies with RPS obligations through a combination of long term contracts and forward market purchases in order to minimize cost impacts on its members. NHEC is continually looking for cost effective producers of NH Class III qualified Renewable Energy Certificates (RECs) to meet its current and future obligations. Despite these efforts, Class III RPS obligation costs are expected to approach 40% of the total cost NHEC members pay to comply with the RPS in 2019. It is likely that, without an adjustment in the obligation, the cost of Class III compliance will remain at that level for years to come as supply in the market is reduced due to the idling or closure of REC producing facilities.

NHEC recognizes that RECs, and the RPS that govern their creation, are part of a regional market with many competing interests. In DE 19-203 the Commission has asked whether an adjustment to Class III RPS requirements is "necessary and consistent with the purposes of RSA 362-F." RSA 362-F:1 states that, "The use of renewable energy technologies and fuels can also help to keep energy and investment dollars in the state to benefit our own economy" and that, "it is therefore in the public interest to stimulate investment in low emission renewable energy generation technologies in New England and, in particular, New Hampshire, whether at new or existing facilities." In its wisdom, the New Hampshire legislature also included cost protections for electric ratepayers through RSA 362-F:3, when part of the purpose of the RPS was not being achieved through its current design.

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NHEC agrees with DG Whitefield, LLC & Springfield Power, LLC, and Unitil Energy Systems, Inc., that it is reasonable and appropriate for the Commission to adjust the Class III requirements for the compliance year 2019. The authority granted to the Commission by the legislature to reduce the Class III obligation when eligible sources are not expected to reasonably meet at least 85% of the overall obligation is an important tool to protect electric ratepayers from unreasonable costs that do not advance the goals of RSA 362-F.

NHEC urges the Commission to estimate overall production of Class III eligible resources in 2019 through a combination of public disclosure of annual facility production, and New Hampshire Department of Environmental Services estimates, should NEPOOL GIS REC production not be readily available. NHEC also urges that the 2019 Class III requirements be reduced to 85% of the Commission's estimate.

Finally, NHEC requests that the Commission makes effective this reduction of the 2019 Class III obligation prior to June 15, 2020, when the compliance year for 2019 ends. This will allow NHEC and other retail energy suppliers to maximize the value from previous actions taken to meet the expected 2019 obligations. This will enable NHEC's members, and electric ratepayers throughout New Hampshire, to benefit from a reduction in their RPS obligation costs.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'MD', with a long horizontal flourish extending to the right.

Mark Dean