



January 21, 2020

**VIA ELECTRONIC MAIL**

Ms. Debra A. Howland, Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301

**RE: DE 19-203 Adjustment to Renewable Portfolio Standards Class III Requirements**

Dear Ms. Howland:

Thank you for the opportunity to comment on DE 19-203.

The Windaction Group ('Windaction') has considered a Class III adjustment in the context of the greater New England market and historic performance of the Class III program. Our analysis, as explained herein, shows that a small adjustment may be warranted.

Before the Commission can order a reduction in the Class III mandate, it is appropriate that it first make a finding as to the "reasonably expected potential annual output of available eligible sources after taking into account demand from similar programs in other states." RSA 362-F:4, VI.

Rather than rely on anecdotal information, Windaction looked on three data points to arrive at what we believe to be a viable annual REC quantity for 2019. Specifically, we looked at New England's 2019 load, the quantity of Class III RECs generated in the first three quarters of 2019, and the Q4 REC quantities produced in prior years (2014-2018).

New England experienced a 3.52% drop in load from 2018 putting NH's 2019 estimated demand at 10,501,078 MWh, down from 10,884,548 MWh the year before. This drop in load decreased the quantity of Class III RECs needed for compliance to 840,086 Class III RECs.

Table 1 shows the number of Class III RECs produced in the years 2014 through 2019.

*Table 1: Source NEPOOL GIS*

Year	Q1	Q2	Q3	Q4	Total
2019	265,700	167,985	204,219	tbd	637,904
2018	317,176	281,347	227,570	167,834	993,927
2017	284,483	253,003	317,532	304,815	1,159,833
2016	243,036	197,483	249,505	234,695	924,719
2015	289,679	260,427	251,186	203,966	1,005,258
2014	240,484	201,777	219,715	237,238	899,214

By the end of Q3'2019, seventy-six percent of the 8% mandate had already been generated. This left 202,182 RECs (840,086 - 637,904 RECs) needed to achieve full compliance without paying ACPs.<sup>1</sup>

Windaction then looked at the number of Class III RECs generated in Q4 for each of the years 2014-2018. After removing the highest and lowest production numbers and averaging the rest, we arrived at an estimated Q4'2019 quantity of 225,300 Class III RECs produced, or 863,204 Class III RECs for the year. This represents a small surplus of 23,118 RECs over our current forecasted RPS obligation of 840,086 Class III RECs.

This analysis does not consider Banked RECs. The quantity of Class III Banked RECs is not publically available, however, the Commission has access to this data. We encourage the Commission to look at this quantity before making a final finding.

While there appears to be a sufficient supply of Class III RECS, our best prediction for 2019 is that there will be either a small deficit or a small surplus for the year. Given the dual compliance with other state programs, the final outcome cannot be certain. Windaction recommends a downward adjustment to our current forecasted requirement bringing the mandate to 820,044 Class III RECs or 95% of the forecasted Class III RPS requirement. The corresponding Class III percentage would decrease by 0.191% from 8.00% to 7.81%. Such a percentage would be prudent unless the Commission finds there are sufficient Banked Class III RECs to increase the 2019 supply of Class III RECs.

Thank you for your attention to this important matter. If you have any questions, please do not hesitate to contact me by phone at 603-838-6588 or e-mail at [llinowes@windaction.org](mailto:llinowes@windaction.org).

Sincerely,



Lisa Linowes  
for The Windaction Group

---

<sup>1</sup> While emphasis in this Docket appears to be on biomass, we note that landfill gas typically represents 25-28% of the annual Class III supply. We can expect landfill gas to contribute an estimated 55,000 RECs to the Q4 quantity leaving 147,182 biomass RECs remaining to be generated to meet the mandate.