

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 22-039

Date Request Received: January 18, 2023
Data Request No. RR-002

Date of Response: January 19, 2023
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Request from: New Hampshire Public Utilities Commission

Witness: Paruta, Marisa B

Request:

- a. Ref. Hearing Exhibit 3, Attachment MBP-1, Page 5 of 7 and Page 6 of 7 (Bates Pages 34 and 35). In summary, what is the Company's total, all-in forecast for the annual Renewable Energy Credit (REC) expenses paid by Eversource ratepayers for the February 1, 2023 - January 31, 2024 SCRC rate period?
- b. How much (\$) of the REC expense (above) counts toward Eversource's REC requirements in New Hampshire?
- c. Do Eversource-NH ratepayers receive any benefits (i.e., offsets) from the REC transactions? If so, please summarize them in narrative form, and quantify them. If Attachment MBP-1, Page 5 of 7 (Bates Page 34), Lines 14 and 15 ("Energy Service REC Revenues Transfer," and "REC Sales Proceeds/RPS True-Up") embrace all of the estimated financial benefits for the upcoming SCRC 2023-2024 rate year, please point this out.

Response:

- a. The Company's total, all-in forecast for the annual Renewable Energy Credit (REC) expense proposed to be paid for by Eversource ratepayers in the SCRC rate for the period from February 1, 2023 to January 31, 2024 is **\$23.2 million**. This \$23.2 million is inclusive of \$22,903,000 for the 400,000 Burgess RECs, as shown in Exhibit 3, Bates 000035 (Attachment MBP-1, at page 6 of 7, line 14 ("Contract Costs of RECs" in the "12 month total" column)), and \$249,000 for the Lempster RECs, as shown in Exhibit 3, Bates 000035 (Attachment MBP-1, at page 6 of 7, line 33 ("Contract Costs of RECs" in the "12 month total" column)). In accordance with the Burgess PPA, the Company purchases RECs on a quarterly basis, at the stipulated REC contract price. The formula for this REC contract price is based on the operating year of the contract and the percentage of Renewable Product payment, which is applicable for the same period. The total number of delivered Burgess RECs is capped at 400,000 per year.
- b. The Burgess Class I RECs, as well as the Lempster Class I RECs, are applied to the Default Energy Service to satisfy the requirements of the New Hampshire Renewable Portfolio Standard (RPS) obligation in the Default Energy Service on a monthly basis. Class I RECs needed for RPS are multiplied by the Class I REC transfer price, in accordance with Docket

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No. DE 17-113. For the period from February 1, 2023 to January 31, 2024, the forecasted amount totaled **\$(15.5) million**, which is a reduction applied in the SCRC rate calculation (the amount of \$(15,455,000) is shown in Exhibit 3, at Bates 000035 (Attachment MBP-1, at page 6 of 7, line 39, "Class I REC Transfer to Energy Service" in the "12 month total" column)), and transferred to the RPS rate reconciliation included in the Default Energy Service rate calculation.

- c. Any surplus of Burgess and Lempster Class I RECs that Eversource may have, after satisfying the RPS obligation, are then sold to brokers. The estimated net proceeds from the sale of the Burgess and Lempster Class I RECs are **\$(2.1) million** for the period from February 1, 2023 to January 31, 2024 (the amount of \$(2,088,000) is shown in Exhibit 3, at Bates 000035 (Attachment MBP-1, at page 6 of 7, line 40, "REC Sales Proceeds" in the "12 month total" column)).

As described above in sections b. and c., these REC-related offsets are accounted for in Exhibit 3, Bates 000034 (Attachment MBP-1, page 5 of 7, lines 14 and 15 ("Energy Service REC Revenues Transfer," and "REC Sales Proceeds/RPS True-Up")).