

CHAPTER Puc 2500 ELECTRIC RENEWABLE PORTFOLIO STANDARD

Statutory Authority: RSA 362-F:13

PART Puc 2501 PURPOSE AND APPLICABILITY

Puc 2501.01 Purpose. The purpose of Puc 2500, pursuant to the mandate of RSA 362-F:13, is to provide for the administration of New Hampshire's electric renewable portfolio standard.

Puc 2501.02 Applicability. Puc 2500 shall apply to:

- (a) Providers of electricity in New Hampshire;
- (b) Persons trading renewable energy certificates issued in compliance with RSA 362-F:6 and RSA 362-F:7;
- (c) Persons who qualify for ~~financial assistance~~ incentive payments, rebates or grants from the renewable energy fund established by RSA 362-F:10; and
- (d) Renewable energy sources and eligible customer-sited sources.

PART Puc 2502 DEFINITIONS

Puc 2502.01 "Acquire new certificates" means to cause the NEPOOL generation information system or the commission, as appropriate, to issue new certificates in connection with energy generated or displaced by a renewable energy source.

Puc 2502.02 "Alternative compliance payment" means a payment that a provider of electricity must remit to the commission for each renewable energy certificate in lieu of meeting the portfolio requirement of Puc 2503 for a given calendar year.

Puc 2502.03 "Began operation" means:

- (a) For a new renewable energy source that has never previously operated as an electric generation facility, the date that it was first placed in service as a capital asset for the purpose of beginning depreciation under the regulations of the Internal Revenue Code of 1986, as amended; and
- (b) For an electric generation facility that has repowered as a renewable energy source, the date that the facility or a capital addition thereto, for the purpose of repowering to renewable energy, is first placed in service as a repowered facility and as a capital asset for the purpose of beginning depreciation under the Internal Revenue Code of 1986, as amended; and
- (c) For a renewable energy source that delivers useful thermal energy, the date that the source began delivering useful thermal energy that can be metered and is delivered in New Hampshire

Puc 2502.04 “Biomass fuels” means “biomass fuels” as defined in RSA 362-F:2, II, namely “plant-derived fuel including clean and untreated wood such as brush, stumps, lumber ends and trimmings, wood pallets, bark, wood chips or pellets, shavings, sawdust and slash, agricultural crops, biogas, or liquid biofuels, but ~~not~~ shall exclude any materials derived in whole or in part from construction and demolition debris.”

~~— Puc 2502.05 “Capital investment” means investment in new plant and equipment directly related to restoring generation or increasing generating capacity including department permitting requirements for new plants, provided that such investment represents at least 80 percent of the federal income tax basis of the source’s total plant and equipment, not including the source’s real property and intangible assets.~~

Puc 2502.~~06~~~~05~~05 “Certificate” means “certificate” as defined in RSA 362-F:2, III, namely “the record that identifies and represents each megawatt-hour (MWh) generated by an eligible renewable energy generating source under RSA 362-F:6.”

Puc 250206 “Class I source” means:

(a) A generation facility that began operation after January 1, 2006 and produces electricity from one of the following technologies wind energy; ~~geothermal energy~~; hydrogen derived from biomass fuel or methane gas; ocean thermal, wave, current, or tidal energy; methane gas; or biomass pursuant to RSA 362-F:4, I(a) ~~through (f)~~; (c), (d), (e) and (f); ~~and~~

(b) Useful thermal energy from solar, geothermal or biomass technologies that began operation after January 1, 2013, pursuant to RSA 362-F:4, I(b), (g) and (l).

~~— (b) The displacement of electricity by end use customers from solar hot water heating systems that began operation after January 1, 2006, pursuant to RSA 362-F:4, I(g);~~

(c) A Class II source to the extent it is not otherwise used to satisfy minimum portfolio standard obligations of other classes, pursuant to RSA 362-F:4, I(h);

(d) The incremental new production of electricity in any calendar year from an eligible biomass or methane source, or any hydroelectric generating facility licensed or exempted from licensure by the Federal Energy Regulatory Commission (FERC), regardless of gross nameplate capacity, over the facility’s historical generation baseline, provided that the associated capital investments result in increased renewable energy output or improvements in the efficiency of electricity generation and provided that the incremental new production of electricity arises from the associated capital investment rather than the operational changes at such facility; ~~and~~

(e) The production of electricity from a Class III or Class IV source that began operation as a new facility by demonstrating that 80 percent of the resulting federal income tax basis of the source’s plant and equipment, but not its real property and intangible assets, is derived from capital investment that is directly related to restoring generation or increasing capacity, pursuant to RSA 362-F:4, I(j) and Puc 2502.05; ~~and~~

(ef) A co-fired generating facility that meets the requirements of RSA 362-F:4, I(k).

Puc 2502.07 “Class II source” means a generation facility that produces electricity from solar technologies and that began operation after January 1, 2006, pursuant to RSA 362-F:4, II.

Puc 2502.08 “Class III source” means a generation facility that began operation on or before January 1, 2006 and produces electricity from eligible biomass technologies having a gross nameplate capacity of 25 megawatts or less, or from methane gas, pursuant to RSA 362-F:4, III.

Puc 2502.09 “Class IV source” means a hydroelectric generation facility that began operation on or before January 1, 2006 and, when required, has documented applicable state water quality certification pursuant to section 401 of the Clean Water Act for hydroelectric projects and either has:

(a) A gross nameplate capacity of 5 megawatts or less as measured by the sum of the nameplate capacities of all the generators at the facility and has actually installed both upstream and downstream diadromous fish passages and such installations have been approved by the FERC; or

(b) A total nameplate capacity of one megawatt or less as measured by the sum of the nameplate capacities of all generators at the facility is in compliance with applicable FERC fish passage restoration requirements, and is interconnected with an electric distribution system located in New Hampshire.
~~, has installed FERC required and approved upstream and downstream diadromous fish passages and has obtained all necessary state water quality certifications, to the extent the source is not used to satisfy certificate purchase obligations pursuant to RSA 362-F:4, I(j).~~

Puc 2502.10 “Co-fired generating facility” means any fossil-fueled generation facility that originally commenced operation prior to January 1, 2006, if after January 1, 2012, such facility co-fires with Class I eligible biomass fuels to displace the combustion of an amount of fossil fuels and meets the requirements of RSA 362-F:12 or has a plan approved by the department pursuant to RSA 362-F:4, I(k). following requirements:

(a) Either has a quarterly average nitrogen oxide (NOx) emission rate, as measured and verified under RSA 362-F:12, of less than or equal to 0.075 lbs/one million British thermal units (MMBtu) or has a plan approved by the department for reductions in NOx emission from other emissions sources in accordance with RSA 362-F:4, I(k)(1). The quantity of reductions shall be the fraction of electrical production derived from the combustion of biomass fuels multiplied by the difference between the generation unit’s NOx emission rate and 0.075 lbs/MMBtu; and

(b) Either has an average particulate emission rate, as measured and verified under RSA 362-F:12, of less than or equal to 0.02 lbs/MMBtu or has a plan approved by the department for reductions in particulate matter emissions from emission sources owned by or affiliated with the co-firing entity in accordance with RSA 362-F:4, I(k)(2). The quantity of reductions shall be the fraction of electrical production derived from the combustion of biomass fuels multiplied by the difference between the generation unit’s particulate matter emission rate and 0.02 lbs/MMBtu.

Puc 2502.11 “Commission” means the New Hampshire public utilities commission.

Puc 2502.12 “Control area” means a geographic region in which a common generation control system is used to maintain the interchange of electrical energy within and outside the region.

Puc 2502.13 “Customer-sited source” means “customer sited-source” as defined in RSA 362-F:2, V, namely “a source that is interconnected on the end-use customer’s side of the retail electricity meter in such a manner that it displaces all or part of the metered consumption of the end-use customer.”

Puc 2502.14 “Default service” means electricity supply that is available to retail customers pursuant to RSA 374-F from the electric utility responsible for providing them with distribution service.

Puc 2502.15 “Department” means the New Hampshire department of environmental services.

Puc 2502.16 “Eligible biomass technologies” means “eligible biomass technologies” as defined in RSA 362-F:2, VIII, namely, “generating technologies that use biomass fuels as their primary fuel, provided that the generation unit:

(a) Has a quarterly average nitrogen oxide (NO_x) emission rate of less than or equal to 0.075 pounds/million British thermal units (lbs/MMBtu), and either has an average particulate emission rate of less than or equal to 0.02 lbs/MMBtu as measured and verified under RSA 362-F:12 or is participating in a plan approved by the department under RSA 362-F:11,IV; and

(b) Uses any fuel other than the primary fuel only for start-up, maintenance, or other required internal needs.”

Puc 2502.17 “Emissions rate” means the pounds of pollutant per million British thermal units of heat input.

Puc 2502.~~17~~18 “End-use customer” means “end-use customer” as defined in RSA 362-F:2, IX, namely “any person or entity that purchases electricity supply at retail in New Hampshire from another person or entity but shall not include:

(a) A generating facility taking station service at wholesale from the regional market administered by the independent system operator (ISO-New England) or self-supplying from its other generating stations; and

(b) Prior to January 1, 2010, a customer who purchases retail electricity supply, other than default service under a supply contract executed prior to January 1, 2007.”

Puc 2502.~~18~~19 “Generation attributes” means the non-price characteristics of the electrical energy output of a generation unit including, but not limited to, the unit’s location, fuel type, actual emissions, vintage and portfolio standard eligibility.

Puc 2502.~~19~~20 “Generation information system (GIS)” means the system operated by the New England Power Pool (NEPOOL), which includes a generation information database and certificate system, and that accounts for certain generation attributes of electrical energy consumed within, imported into or exported from NEPOOL.

Puc 2502.~~20~~21 “Historical generation baseline” means:

(a) For a hydroelectric facility, the average annual production, in megawatt-hours, from the later of January 1, 1986 or the date of first commercial operation through December 31, 2005, adjusted as if any upgrade or expansion completed during the period had been in place over the entire period; or

(b) For other facilities, the average annual electrical production, in megawatt-hours, for 2004 through 2006, or for the first 36 months after the facility began operation if that date is after December 31, 2001.

Puc 2502.~~21~~22 “ISO New England” means the not-for-profit regional transmission organization authorized by FERC to operate the bulk electricity transmission system in the New England Control Area, or its successor.

Puc 2502.~~22~~23 “Incremental new production” means the difference between the annual calendar year electricity output of an eligible source and its historical generation baseline.

Puc 2502.~~23~~24 “Methane gas” means “methane gas” as defined in RSA 362-F:2, XI, namely “biologically derived methane gas from anaerobic digestion of organic materials from such sources as yard waste, food waste, animal waste, sewage sludge, septage, and landfill waste.”

Puc 2502.~~24~~25 “Monitor” means a person designated by the commission to perform duties pursuant to Puc ~~2505.09~~2506.07.

Puc 2502.~~25~~26 “New England control area” means “New England control area” as defined in RSA 362-F:2, XII, namely “the term as defined in ISO-New England’s transmission, markets and services tariff, FERC electric tariff no. 3, section II.” This includes Connecticut, Rhode Island, Massachusetts, New Hampshire, Vermont, and those parts of Maine not assigned to another control area pursuant to a FERC-approved tariff.

Puc 2502.~~26~~27 “Portfolio standard” means the minimum renewable energy certificate obligations pursuant to Puc 2503.01.

Puc 2502.~~27~~28 “Primary fuel” means “primary fuel” as defined in RSA 362-F:2, XIII, namely “a fuel or fuels, either singly or in combination, that comprises at least 90 percent of the total energy input into a generating unit.”

Puc 2502.~~28~~29 “Provider of electricity” means “provider of electricity” as defined in RSA 362-F:2, XIV.

Puc 2502.30 “Quarterly average NOx emission rate” means the average of the hourly NOx emission rates for the hours in a quarter when the unit is generating electricity or useful thermal energy.

Puc 2502.~~29~~31 “Renewable energy fund” means the nonlapsing special fund created by RSA 362-F:10 and administered by the commission.

Puc 2502.~~30~~32 “Renewable energy source” means “renewable energy source” as defined in RSA 362-F:2, XV, namely “a ~~Class~~ class I, II, III, or IV source of electricity or ~~electricity displacement by a Class I source under RSA 362-F:4, I(g)~~ a class I source of useful thermal energy. An electrical generating facility, while selling its electrical output at long-term rates established before January 1, 2007 by orders of the commission under RSA 362-A:4, shall not be considered a renewable source.” The term “renewable energy source” includes the terms “renewable source” and “source.”

Puc 2502.~~31~~33 “Retire” means to make no further use of a certificate for purposes of trading in the generation attributes associated with the certificate.

Puc 2502.~~32~~34 “Revenue quality meter” means an electricity meter used by a customer-sited source that is of sufficient quality to be eligible for use by a distribution company to measure for billing purposes the customer’s electricity consumption.

Puc 2502.335 “Thermal biomass renewable energy technologies” means facilities producing useful thermal energy using biomass as the fuel source that began operation after January 1, 2013 and comply with the following requirements:

(a) If the unit is a biomass unit rated between 3 and 30 MMBtu/hour (hr) design gross heat input, the average particulate emission rate from the unit is less than or equal to 0.10 lbs/Mmbtu as measured and verified by a one-time initial stack test in accordance with methods approved by the department;

(b) If the unit is a biomass unit rated equal to or greater than 30 MMBtu/hr design gross heat input, the average particulate emission rate from the unit is less than or equal to 0.02 lbs/Mmbtu as measured and verified by the department pursuant to RSA 362-F:12;

(c) If the unit is a biomass unit rated less than 100 MMBtu/hr design gross heat input, the unit implements best management practices as established by the department; or

(d) If the unit is a biomass unit rated equal to or greater than 100 MMBtu/hr design gross heat input, it experiences quarterly average NOx emission rate of less than or equal to 0.075 Mmbtu/hr as measured and verified by the department pursuant to RSA 362-F:12.

Puc 2502.36 “Useful thermal energy” means “useful thermal energy” as defined in RSA 362-F:2,X –a, namely “renewable energy delivered from class I sources that can be metered and that is delivered in New Hampshire to an end user in the form of direct heat, steam, hot water, or other

thermal form that is used for heating, cooling, humidity control, process use, or other valid thermal end use energy requirements and for which fuel or electricity would otherwise be consumed.”

PART Puc 2503 RENEWABLE PORTFOLIO CERTIFICATE OBLIGATIONS

Puc 2503.01 Minimum Certificate Obligations.

(a) Each provider of electricity shall:

- (1) Obtain and retire Class I, Class II, Class III and Class IV certificates sufficient in number to meet or exceed the percentages of total megawatt-hours of electricity supplied by the provider to its end-use customers for each calendar year as established by paragraphs (b) through (f) below; or
- (2) Make alternative compliance payments pursuant to Puc 2503.02.

(b) For calendar years 2008, 2009, 2010 and 2011, the percentages shall be as specified in Table 2500.01², Minimum Electric Renewable Portfolio Standards, pursuant to RSA 362-F:3.

(c) Pursuant to RSA 362-F:3, for calendar years 2012 through 2025, the percentages shall be as specified in Table 2500.01 as follows and as modified pursuant to (d) through (g) below. As depicted in Table 2500.01, beginning in 2013, a portion of class I requirements shall be met with the acquisition of useful thermal energy.

Table 2500.01 Minimum Electric Renewable Portfolio Standards Calendar

<u>Table 2500.01 Minimum Electric Renewable Portfolio Standards Calendar Year</u>	<u>Total Class I</u>	<u>Class I from useful thermal energy</u>	<u>Class II</u>	<u>Class III</u>	<u>Class IV</u>
<u>2008</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>3.5%</u>	<u>0.5%</u>
<u>2009</u>	<u>0.5%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>4.5%</u>	<u>1.0%</u>
<u>2010</u>	<u>1.0%</u>	<u>0.0%</u>	<u>0.04%</u>	<u>5.5%</u>	<u>1.0%</u>
<u>2011</u>	<u>2.0%</u>	<u>0.0%</u>	<u>0.08%</u>	<u>6.5%</u>	<u>1.0%</u>
<u>2012</u>	<u>3.0%</u>	<u>0.0%</u>	<u>0.15%</u>	<u>6.5%</u>	<u>1.0%</u>
<u>2013</u>	<u>4.0%</u>	<u>0.2%</u>	<u>0.2%</u>	<u>6.5%</u>	<u>1.3%</u>
<u>2014</u>	<u>5.0%</u>	<u>0.4%</u>	<u>0.3%</u>	<u>7.0%</u>	<u>1.4%</u>
<u>2015</u>	<u>6.0%</u>	<u>0.6%</u>	<u>0.3%</u>	<u>8.0%</u>	<u>1.5%</u>
<u>2016</u>	<u>6.9%</u>	<u>0.8%</u>	<u>0.3%</u>	<u>8.0%</u>	<u>1.5%</u>
<u>2017</u>	<u>7.8%</u>	<u>1.0%</u>	<u>0.3%</u>	<u>8.0%</u>	<u>1.5%</u>
<u>2018</u>	<u>8.7%</u>	<u>1.2%</u>	<u>0.3%</u>	<u>8.0%</u>	<u>1.5%</u>
<u>2019</u>	<u>9.6%</u>	<u>1.4%</u>	<u>0.3%</u>	<u>8.0%</u>	<u>1.5%</u>
<u>2020</u>	<u>10.5%</u>	<u>1.6%</u>	<u>0.3%</u>	<u>8.0%</u>	<u>1.5%</u>
<u>2021</u>	<u>11.4%</u>	<u>1.8%</u>	<u>0.3%</u>	<u>8.0%</u>	<u>1.5%</u>

<u>2022</u>	<u>12.3%</u>	<u>2.0%</u>	<u>0.3%</u>	<u>8.0%</u>	<u>1.5%</u>
<u>2023</u>	<u>13.2%</u>	<u>2.2%</u>	<u>0.3%</u>	<u>8.0%</u>	<u>1.5%</u>
<u>2024</u>	<u>14.1%</u>	<u>2.4%</u>	<u>0.3%</u>	<u>8.0%</u>	<u>1.5%</u>
<u>2025</u>	<u>15.0%</u>	<u>2.6%</u>	<u>0.3%</u>	<u>8.0%</u>	<u>1.5%</u>

Table 2500.01-02 Minimum Electric Renewable Portfolio Standards
for Power Supply Contracts Entered into prior to July 1, 2012

Calendar Year	Class I	Class II	Class III	Class IV
2008	0.0%	0.0%	3.5%	0.5%
2009	0.5%	0.0%	4.5%	1.0%
2010	1.0%	0.04%	5.5%	1.0%
2011	2.0%	0.08%	6.5%	1.0%
2012	3.0%	0.15%	6.5%	1.0%
2013	4.0%	0.2%	6.5%	1.0%
2014	5.0%	0.3%	6.5%	1.0%
2015	6.0%	0.3%	6.5%	1.0%
2016	7.0%	0.3%	6.5%	1.0%
2017	8.0%	0.3%	6.5%	1.0%
2018	9.0%	0.3%	6.5%	1.0%
2019	10.0%	0.3%	6.5%	1.0%
2020	11.0%	0.3%	6.5%	1.0%
2021	12.0%	0.3%	6.5%	1.0%
2022	13.0%	0.3%	6.5%	1.0%
2023	14.0%	0.3%	6.5%	1.0%
2024	15.0%	0.3%	6.5%	1.0%
2025	16.0%	0.3%	6.5%	1.0%

(d) Upon a petition or on its own motion, and after notice and hearing, the commission shall for good cause accelerate or delay by up to one year any annual increase in Class I or Class II acquisition requirements. Any such order shall be issued on or before September 30 of the preceding year.

(e) For purposes of (d) above, “good cause” means that the acceleration or delay of an increase is reasonably expected to:

- (1) Increase investment in renewable energy generation in New Hampshire; or
- (2) Mitigate cost increases to retail electric rates for New Hampshire customers without materially hindering the development of renewable resources.

(f) For calendar years beginning 2012, the commission shall, after notice and hearing, modify the Class III and Class IV acquisition requirements if:

(1) The modified requirements would be at least 85 percent but not more than 95 percent of the reasonable expected annual output of available eligible sources; and

(2) The modification would be consistent with the purposes of RSA 362-F.

(g) In determining whether to modify Class III and Class IV requirements pursuant to (f) above, the commission shall consider evidence regarding supply and demand from similar programs in other states.

(h) Proceedings conducted under this section shall be adjudicative and shall be conducted pursuant to Part Puc 203. A notice issued pursuant to Puc 203.12 in such proceeding shall be mailed to all providers of electricity.

(i) The commission shall post each order issued pursuant to this section on its web site.

(j) Pursuant to RSA 362-F:14, the increases in the annual purchase percentages in RSA 362-F:3 as compared to those in effect as of January 1, 2012 shall apply to the electrical load under any electrical power supply contracts for a term of years entered into by providers of electricity prior to or on July 1, 2012, upon the expiration of the term of any such contract. Providers of electricity shall inform the commission by July 1 of each year of all such contracts and their terms, including but not limited to the execution date and expiration date of the contract and the annual volume of electrical energy supplied.

Puc 2503.02 Alternative Compliance Payments.

(a) In lieu of acquiring any certificate as required by Puc 2503.01, a provider of electricity shall make the appropriate alternative compliance payment when a certificate is not otherwise available at a price below the amount of the alternative compliance payment pursuant to RSA 362-F:10, II.

(b) On or before January 31 of each year, the Commission shall establish the alternative compliance payment for each class by adjusting the previously applicable alternative compliance payment by a percentage equal to the annual percentage change, as measured from the preceding calendar year, in the Consumer Price Index, All Urban Consumers, Northeast Region, all items, not seasonally adjusted, as published by the Bureau of Labor Statistics of the U.S. Department of Labor for class III and class IV; and for class I and class II, ½ of the percentage change in the referenced Consumer Price Index.

(c) The commission shall publish its schedule of alternative compliance payments established pursuant to this part on the commission's web site.

(d) A provider of electricity shall remit alternative compliance payments for each year with its annual compliance report as specified by Puc 2503.03.

Puc 2503.03 Annual Compliance Report.

(a) On or before July 1 of each year, a provider of electricity shall file a report with the commission on Form E-2500, Annual Renewable Portfolio Standard Compliance Filing, documenting the provider's compliance with this part for the preceding calendar year.

(b) When filing form E-2500 with the commission, a provider shall file a copy of the completed form with the state treasurer delivered by mail or in person at:

State of New Hampshire Treasury
25 Capitol Street, Room 121
Concord, NH 03301-6312

(c) The provider shall file with the copy of the completed form filed with the state treasurer either a check payable to the State of New Hampshire in the amount of any alternative compliance payments due pursuant to Puc 2503.02 or documentation that the funds have been electronically transferred to the state treasurer.

(d) The report shall include:

- (1) The name of the provider of electricity filing the report;
- (2) The date of the report;
- (3) The calendar year represented by the report;
- (4) The name, title and signature of the officer or employee who prepared the report;
- (5) The total number of kilowatt-hours of electricity sold or delivered to end use customers;
- (6) For a report filed in 2009, total kilowatt-hours sold or delivered under a supply contract executed prior to January 1, 2007 for default service pursuant to RSA 374-F:3,V(c);
- (7) Total certificate obligations in kilowatt-hours for each class calculated using the percentages in Table 2500.1;
- (8) Total NEPOOL GIS certificates purchased or acquired for each class of sources listed in Table 2500.1;
- (9) Total commission-issued certificates purchased or acquired by class;
- (10) Total certificate credits by class calculated pursuant to RSA 362-F:6,II-a and Puc 2503.04;
- (1011) Total costs incurred for the purchase of certificates by class;

(~~11~~12) Total certificates from years other than the compliance year by class and by year of issuance used pursuant to RSA 362-F:7,I;

(~~12~~13) The balance of certificate obligations to be met with alternative compliance payments by class;

(~~13~~14) The total dollar amount of alternative compliance payments owed by class using the alternative compliance payments schedule determined by the commission pursuant to Puc 2503.02; ~~and~~

(~~14~~15) Total excess certificates by class to be banked for future compliance years; ~~and~~

(16) Any information related to power supply contracts as described in Puc 2503.01(j).

(e) A provider of electricity shall separately file its GIS report containing the final number of certificates settled for the prior calendar year no later than July 30 of each year.

Puc 2503.04 Net-Metered Customer-Sited Sources

(a) Pursuant to this section, an electric distribution utility shall receive class I and class II certificate credits for the production of electricity at customer-sited sources that are net-metered to an electric utility's distribution system pursuant to RSA 362-A:9 and Puc 900 provided that:

(1) The customer-sited source is eligible to receive certification to produce class I or class II certificates; and

(2) The commission has not certified the customer-sited source for the production of class I or class II certificates.

(b) By January 31 of each calendar year, an electric distribution utility shall submit to the commission the following:

(1) A list of customer-sited sources eligible for class I certification that meet the requirements of Puc 2503.04 (a) including the location of the source, the type of renewable energy used by the source and its nameplate capacity in kilowatt hours (kWh), the date the source began operation and a copy of the interconnection agreement with the distribution utility; and

(2) A list of customer-sited sources eligible for class II certification that meet the requirements of Puc 2503.04 (a) including the location of the source and its nameplate capacity in kWh, the date the source began operation and a copy of the interconnection agreement with the distribution utility.

(c) The commission shall estimate the total yearly production for class I and class II customer-sited sources identified pursuant to (b) above using a capacity factor rating of 20 percent for each installation.

(d) By February 28 of each year, the commission shall compute and make public credit percentages that are equal to the estimated production for the prior calendar year in each class divided by the total amount of electricity supplied to end-use customers in the prior calendar year, with the result converted to a percentage.

(e) Each electric distribution utility may, at the time of its annual report filing, claim a class I and a class II certificate credit equal to the credit percentage for each class multiplied by the total megawatt-hours of electricity supplied by the provider to its end-use customers in the prior calendar year.

Puc 2503.~~04~~-05 Certificate Banking.

(a) Except as provided in paragraphs (b) through (e) below, certificates obtained by providers of electricity in compliance with this chapter shall be used to comply with the certificate acquisition obligation for the calendar year in which the generation represented by the certificate was produced.

(b) A provider of electricity may bank unused certificates and thereafter use them to comply with certificate acquisition obligations for the two calendar years following the year in which the energy was produced pursuant to (c) below.

(c) An owner of certificates, or fractional certificates, may bank unused certificates by filing with the commission:

(1) By July 30 of each year, for certificates tracked by the GIS to be banked from the prior calendar year, a report issued by GIS to the owner indicating the total number of certificates owned and settled for the prior calendar year; or

(2) By March 31 of each year, for certificates issued by the commission to be banked from the prior calendar year, an affidavit of the owner stating that the certificates have not been traded or retired.

~~(d) A provider of electricity may apply unused certificates issued for energy produced in the first quarter of a calendar year to the certificate acquisition obligations of the preceding calendar year.~~

~~(e)~~ No provider of electricity shall meet more than 30 percent of its certificate acquisition obligation for any individual class in any given calendar year with certificates acquired pursuant to paragraphs (b), ~~and (d)~~.

PART Puc 2504 ISSUANCE AND TRANSFER OF RENEWABLE ENERGY CERTIFICATES

Puc 2504.01 Location of Sources Eligible to Produce Certificates.

(a) Except as provided in Puc 2504.03, ~~Certificates~~ certificates purchased or sold pursuant to this chapter from electrical generating facilities shall, pursuant to RSA 362-F:6, IV, originate from:

(1) Sources within the New England control area; or

(2) Sources in a control area adjacent to the New England control area, provided that the ~~energy~~ electricity is delivered within the New England control area and such delivery is verified by submitting to the commission:

a. Documentation of a unit-specific bilateral contract or other legally enforceable obligation that is executed between the source owner, operator, or authorized agent and an electric energy purchaser located within the New England control area for delivery of the source's electric energy to the New England control area;

b. Proof of associated transmission rights for delivery of the source's electric energy from the generation unit of the source through the adjacent control area to the New England control area;

c. Documentation that the electrical energy delivered was settled in the ISO-New England wholesale market system;

d. Documentation that the source produced, during each hour of the applicable month, the amount of megawatt-hours claimed, as verified by the GIS administrator; and

e. Confirmation that the electrical energy delivered under the legal obligation received a North American Electric Reliability Corporation tag from the originating control area to the New England control area.

(b) If the originating control area employs a generation information system that is comparable to the GIS, such system may be used to support the documentation required in (a)(2)d above.

(c) Except as provided in Puc 2504.03, issuance, qualification, sales, exchanges, and retirement of renewable certificates pursuant to this chapter shall be conducted through the GIS according to its operating rules.

(d) To be eligible for certification to produce certificates, any source producing useful thermal energy shall be delivered in New Hampshire.

Puc 2504.02 ~~Transferability~~ Tracking of Certificates.

(a) A certificate may be sold or otherwise exchanged by the source to which it was initially issued or by any other person or entity that acquires the certificate.

(b) A certificate shall be used only once for compliance with the acquisition requirements of this chapter.

(c) A certificate shall not be used for compliance with this chapter if it has been used for compliance with any similar requirements of another non-federal jurisdiction, or otherwise sold, retired, claimed or represented as part of any other electrical energy output, portfolio, or sale.

(d) A certificate that has been used for compliance with this chapter shall not be used for compliance with any similar requirements of another non-federal jurisdiction, or otherwise sold, retired, claimed or represented as part of any other electrical energy output, portfolio, or sale.

Puc 2504.03 Commission-Issued Certificates.

(a) A customer-sited source that is ineligible to participate in the GIS but otherwise produces ~~or displaces~~ electricity or a source producing useful thermal energy that is ineligible to participate in the GIS and that qualifies for one of the renewable energy classes of RSA 362-F:4 may acquire directly from the commission ~~new-fractional~~ certificates pursuant to RSA 362-F:6 II, ~~including fractional certificates~~ representing less than a megawatt-hour of electricity production or ~~displacement~~ equivalent useful thermal energy, provided that the source is located in New Hampshire.

(b) Fractional certificates may be aggregated into whole certificates by the owner of such certificates.

(c) The commission shall issue such certificates with serial numbers to the owner of the source or its designee as indicated in a letter signed by such owner and filed at the commission.

(d) The person issued the certificate shall be the initial owner of the certificate.

(e) To qualify for fractional certificates, the source shall meet the monitoring requirements of Puc 2506. ~~other than provided in Puc 2505.11, the customer shall.~~

(f) The owner of the customer-sited source shall make available to the monitor and the commission a copy of the certificate from the meter manufacturer attesting that the meter operates to the manufacturer's standards.

(g) The customer shall maintain the meter according to the manufacturer's standards.

(h) To seek eligibility for commission-issued certificates, the owner of the source shall file an application pursuant to the requirements of requirements in Part Puc 2505.08.

PART Puc 2505 ~~SOURCE ELIGIBILITY DETERMINATION AND MONITORING~~
CERTIFICATION OF RENEWABLE ENERGY SOURCES

Puc 2505.01 Generation General Eligibility Determinations.

(a) The commission shall within 45 days of receiving a completed application pursuant to this part determine the eligibility to ~~obtain new~~ qualify to produce certificates of a renewable energy source producing electricity or useful thermal energy. ~~generation facility, a solar hot water heating system, or a customer sited source.~~

(b) The applicant shall have the burden of demonstrating eligibility of the source to obtain new qualify for the production of certificates.

(c) The effective date of certification shall be the date that a completed application is submitted to the commission.

(d) When ~~issuing a certification~~ determining a source's eligibility under this rule, the commission shall provide a copy of the determination to the owner of the generation facility and the administrator of the GIS. To acquire certificates, the owner shall ~~then~~ register with the GIS and comply with its rules and procedures.

(e) No generation facility shall be eligible to ~~acquire new~~ qualify to produce certificates under this chapter while selling its electrical output at long-term rates established before January 1, 2007 by orders of the commission under RSA 362-A:4.

~~(f) No customer sited source shall be certified as eligible to acquire certificates under this part unless the source is located in New Hampshire.~~

Puc 2505.02 Application Requirements.

(a) To qualify as a ~~facility~~ source eligible to ~~acquire~~ produce certificates under this Chapter, an applicant ~~source~~ shall demonstrate its eligibility under Class I, II, III or IV by filing a completed application with the commission. ~~Customer sited sources of 100 kilowatts or less, or equivalent thermal output, shall apply pursuant to Puc 2505.08.~~

(b) ~~For all other sources, the~~ The application shall include:

- (1) The name and address of the applicant;
- (2) The name and location of the facility renewable energy source;
- (3) The ISO-New England asset identification number, if available;
- (4) The GIS facility code, if available;
- (5) If an electric generating source, A a description of the facility, including fuel type, gross nameplate generation capacity, the initial commercial operation date, and the date it began operation, if different;

(6) If a biomass source, a co-fired generating facility or a thermal biomass renewable energy technology, NO_x and particulate matter emission rates and a description of pollution control equipment or proposed practices for compliance with such requirements or the proposed alternative emission reduction plan approved by the department;

(7) All other necessary regulatory approvals, including any reviews, approvals or permits required by the department;

(8) If a renewable energy source generating electricity from renewable fuel, proof that the applicant either has an approved interconnection study on file with the commission, is a party to a currently effective interconnection agreement, or is otherwise not required to undertake an interconnection study;

(9) If a biomass facility, a co-fired generating facility or a thermal biomass renewable energy technology, proof that a copy of the completed application has been filed with the department;

(10) If a biomass facility, evidence that the facility complies with applicable emissions limitations, the other requirements of RSA 362-F:12 and Puc 2505.04.

(10) If a co-fired generating facility, proof that the facility complies with the applicable emissions limitations and meets the other requirements of RSA 362-F:12 and Puc 2505.09.

(12) If a geothermal system producing useful thermal energy, proof that the requirements of this section and Puc 2505.10;

(13) If a solar system producing useful thermal energy, proof that the requirements in this section and Puc 2505.11;

(14) If a thermal biomass renewable energy technology, evidence that the facility complies with the requirements of RSA 362-F:4,I(1) and Puc 2505.12.

(15) If an electric generation facility, A description of how the ~~generation~~ facility is connected to the distribution utility;

(16) A statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standard and proof thereof;

(17) A statement as to whether the facility's output had been verified by ISO-New England;

(17) A description of how the facility's output is reported to the GIS if not verified by ISO-New England;

(18) If the facility uses an independent monitor to verify production, the name, address and telephone number of the independent monitor;

(19) An affidavit by the ~~owner~~ applicant attesting to the accuracy of the contents of the application;

(20) The name and telephone number of the facility's operator, if different from the owner; and

(21) Such other information as the applicant wishes to provide to assist in classification of the generating facility-renewable energy source

Puc 2505.03 Preliminary Designation.

(a) A developer of a proposed new or repowered source may request preliminary designation as an eligible source by submitting an application containing the information described in Puc 2505.02, provided that any tentative or estimated information, such as the initial commercial operation date, is so identified.

(b) The commission shall rule on a request for preliminary designation within 60 days of receiving a complete application. The commission shall grant a request when the facts as stated on the application demonstrate that the planned facility is expected to meet the requirements of the requested class. When granting such a request, the commission shall attach such conditions to its approval as are reasonably necessary to ensure compliance with RSA 362-F and this chapter. The commission shall include with any denial of a preliminary designation request a detailed explanation of the basis for its decision.

(c) Preliminary designation under this section shall not exempt a source from the regular application requirements of this part. A source granted preliminary designation of eligibility shall be entitled to full certification, provided that the facility as constructed or modified is consistent with the facts as stated in the preliminary designation application and complies with any conditions added by the commission.

Puc 2505.04 Certification of Eligible Biomass ~~Facilities~~ Technologies.

(a) Eligibility determinations of generation facilities that use biomass fuels shall be conditional as required by RSA 362-F:11, III.

(b) Within 10 days of receiving notice from the department that a generation facility conditionally certified pursuant to subsection (a) has met the department's emissions standards pursuant to RSA 362-F:11, III or IV, the commission shall designate the facility as eligible.

(c) For purpose of certification, a biomass facility shall ~~conduct a stack test to~~ verify compliance with the emission standard for particulate matter no ~~later than 12 months prior to the end of the~~ earlier than 3 quarters prior to the subject calendar quarter except as provided for in RSA 362-

F:12, II by conducting a stack test in accordance with Env-A 800 or in accordance with the alternative plan approved by the department;

~~(d) All stack tests conducted to verify particulate emissions shall be conducted in accordance with Env-A 800.~~

(ed) Verification of NOx emissions shall be made by continuous emission monitors meeting in compliance with the requirements of Env-A 808.

(e) The provisions of Puc 2505.14 shall apply to eligible biomass technologies.

Puc 2505.05 Certification of New Output.

(a) A generation facility that uses biomass, methane or hydroelectric technologies to produce energy shall be eligible to participate as a Class I source upon certification by the commission under this rule.

(b) The commission shall certify a biomass, methane or hydroelectric generation facility as an eligible Class I resource under this rule when the applicant demonstrates that it has made capital investments after January 1, 2006 with the successful purpose of improving the efficiency or increasing the output of renewable energy from the facility.

(c) The commission shall limit the certification of an applicant under this rule to the amount of incremental new production directly attributable to the new capital investments that formed the basis of the application.

Puc 2505.06 Certification of Repowered Class III or IV Sources~~as Class I Sources.~~

(a) A Class III or Class IV source shall be eligible to participate as a Class I ~~resource~~ upon certification by the commission under this rule.

(b) The commission shall certify a Class III or Class IV source as a Class I source under this rule when the source has demonstrated that:

(1) It has made new capital investments for the purpose of restoring unusable generation capacity or adding to existing capacity, in light of the department's environmental permitting requirements or otherwise; and

(2) Eighty percent of the applicant's tax basis in the resulting plant and equipment of the eligible generation capacity, including department permitting requirements for new plants, but exclusive of any tax basis in real property and intangible assets, is derived from the new capital investments.

(c) Except as provided for pursuant to Puc 2505.15, ~~An~~ applicant certified as eligible under this rule to participate as a Class I source shall be deemed no longer certified as a Class III or Class IV source.

(d) The entire energy output of an eligible repowered Class I source shall be eligible for renewable energy certificates.

Puc 2505.07 Certification of Formerly Nonrenewable Energy Electric Generation Facilities as Repowered Class I Sources.

(a) An electric generation unit that is not qualified as a renewable energy source may become eligible to participate as a Class I source when it demonstrates that:

(1) It has made new capital investments for the purpose of repowering with eligible biomass technologies or methane gas and complies with the certification requirements of Puc 2505.04, if using biomass fuel; and

(2) Eighty percent of the applicant's tax basis in the resulting generation unit, including department permitting requirements for new plants, but exclusive of any tax basis in real property and intangible assets, is derived from the new capital investments.

Puc 2505.08 Certification of ~~Certain~~ Customer-Sited Sources.

(a) A customer-sited source ~~with a capacity of 100 kilowatts or less, or with an equivalent thermal output,~~ shall demonstrate its eligibility to ~~acquire~~ qualify for certificates by meeting the requirements of Puc 2505.01 and additional requirements of ~~submitting an application under~~ this section.

(b) For a customer-sited source, the ~~Such~~ application required pursuant to Puc 2505.02 shall also include:

~~(1) The name, address and contact information of the applicant;~~

~~(2)~~ A complete list of the equipment used at the facility, including the meter and, if applicable, the inverter;

~~(3)~~ The name, license number and contact information of the installer of the applicable generation or ~~solar heating thermal equipment~~, or a statement that the equipment was installed directly by the customer, if applicable;

~~(4)~~ The name and contact information of the seller of the applicable generation or ~~heating~~ equipment;

~~(5)~~ The name and contact information of the independent monitor of the source;

~~(6)~~ A copy of the interconnection agreement pursuant to Puc 307.06, ~~if applicable,~~ between the applicant and the distribution utility; and

~~(7)~~ An attestation by the applicant that the project is installed and operating in conformance with any applicable building codes; ~~and, (8) For an installation with~~

~~electric output, documentation of the applicable distribution utility's approval of the installation~~

Puc 2505.09 Certification of Co-Fired Generating Facilities.

(a) A fossil-fueled co-fired generating facility that seeks certification to produce certificates shall file the following information in addition to the application required pursuant to Puc 2505.02:

(1) A list of the fuels that the facility intends to use, in what relative proportions in co-firing, with what individual high heat input values, and the methodology for determining the portion of the electrical output that qualifies as class I renewable energy certificates;

(2) The date that the electricity generating facility began co-firing with eligible biomass fuels;

(3) A copy of any alternative emission reduction plan approved by the department; and

(4) Demonstration that the department has determined that the source complies with the emissions requirements of RSA 362-F:4,I(k) or an alternate plan approved by the department pursuant to RSA 362-F:4,I(k).

(b) The provisions of Puc 2505.14 shall apply to co-fired generating facilities

Puc 2505.10 Certification of Geothermal Systems.

(a) A source producing useful thermal energy which seeks certification as a class I geothermal facility pursuant to Puc 2502.06 shall file the following information in addition to the application required pursuant to Puc 2505.02:

(1) A complete list of the equipment used at the facility, including the meters used to measure electricity production and useful thermal energy production at the facility;

(2) The rated thermal capacity of the system;

(3) The coefficient of performance and energy efficiency ratio of the system; and

(4) Certification that the meters meet the specifications in Puc 2506.04.

Puc 2505.11 Certification of Solar Thermal Systems

(a) A source producing useful thermal energy with a solar system which seeks certification as a class I solar useful thermal source pursuant to Puc 2502.06 shall provide the following information in addition to the application required by Puc 2505.02:

(1) A complete list of the equipment used at the facility, including the meters used to measure electricity production and useful thermal energy production at the facility;

(2) The rated thermal capacity of the system;

(3) The rating of the system as determined by the Solar Rating and Certification Corporation (SRCC);

(4) Certification that the meters meet the specifications in Puc 2506.04.

Puc 2505.12 Certification of Thermal Biomass Renewable Energy Technologies.

(a) A thermal biomass renewable energy technology which seeks certification as a class I thermal biomass facility pursuant to Puc 2502.06 shall provide the following information in addition to the application required in Puc 2505.02:

(1) A complete list of the equipment used at the facility, including the meters used to measure electricity production and useful thermal energy production at the facility;

(2) The rated thermal capacity of the system;

(3) Certification of the total system efficiency;

(4) The date that the biomass renewable energy technology began operation;

(5) Certification that the meters used in the facility comply with the specifications set forth in Puc 2506.04; and

(6) Certification by the department that the facility is in compliance with the department's emissions requirements and best management practices pursuant to RSA 362-F:4,I(1).

(b) The provisions of Puc 2505.14 shall apply to thermal biomass renewable energy technologies.

Puc 2505.13 Certification of Combined Heat and Power Systems.

(a) A combined heat and power system seeking certification to produce class I certificates shall provide the following information in addition to the application required in Puc 2505.02:

(1) Proof that the system meets the requirements of Puc 2505.04 if the applicant seeks to qualify the system to produce certificates for electric generation;

(2) Proof that the system meets the requirements of Puc 2505.12 if the applicant seeks to qualify the system to produce certificates for useful thermal energy;

(3) A description of the total system efficiency; and

(4) A description of the metering equipment to measure electricity generated and useful thermal power produced.

Puc 2505.14 Suspension of Eligibility to Produce Certificates.

(a) The commission shall, after notice and opportunity for hearing, suspend the certification of a generation facility that uses biomass fuels as its primary fuel for a calendar quarter when the department informs the commission that one of the following events has occurred:

(1) The facility has failed to comply with the requirements of RSA 362-F:4.I(f), (k) and (l) relative to NOx emissions or an alternative plan to reduce NOx emissions, and RSA 362-F:12,I relative to NOx emissions monitoring; or

(2) The facility has failed to comply with the requirements of RSA 362-F:4.I(f), (k), and (l) relative to particulate emissions or an alternative plan to reduce particulate emissions and RSA 362-F:12, II relative to stack testing; or

(4) The facility has failed to comply with the requirement in RSA 362-F:12, III to provide a quarterly filing to the commission relative to emissions monitoring and stack testing and an alternative emissions reduction plan, if applicable.

(b) The suspension of certification pursuant to (a) above shall be for so long as the facility is out of compliance with the limit on emissions.

(c) A facility suspended pursuant to (a) above shall have its suspension lifted upon demonstration to the commission of certification by the department that it meets the limits on emissions.

(d) Upon demonstration pursuant to (c) above, the facility shall be certified to be issued certificates as of the next calendar quarter.

Puc 2505.15 Request to Certify Class I Eligible Source as Class III Eligible Source.

(a) Beginning on July 1, 2013, a Class III source eligible as a Class I source may submit a letter to the commission requesting to be a Class III source instead of Class I source. After approval by the commission, the production from such source shall qualify for Class III certificates.

Puc 2505.16 Adjudicative Proceedings. The commission shall conduct an adjudicative proceeding pursuant to RSA 541-A and Puc 200 upon petition by an applicant, source, or other party aggrieved by a decision under this part.

PART Puc 2506 MONITORING, VERIFICATION, AND REPORTINGPuc 2506.01 Monitoring of All Renewable Energy Sources

(a) Except as provided in Puc 2506.02, electrical generation in megawatt-hours and useful thermal energy in megawatt-hours shall be measured and verified in accordance with ISO-NE and NEPOOL GIS Operating Rules and this Part.

(b) For each submission to the NEPOOL GIS and the commission, the owner of a renewable energy source, or a designated representative, shall attest to the accuracy and truthfulness of the data.

Puc ~~2505.10~~2506.02 Metering Monitoring of Customer-Sited Sources.

(a) ~~Except as provided in Puc 2505.11,~~ The annual eligibility of a customer-sited source shall be determined pursuant to this section by meter readings that are separated by no more than 13 months.

(b) For a customer-sited source participating in net metering pursuant to Puc 900, the annual production eligible for certificates shall be either:

(1) The sum of any net positive output from the source to the grid for the 12 consecutive monthly billing periods that most closely match the applicable calendar year; or

(2) In the alternative, if the output of the source is directly metered, the gross output as measured by 2 meter readings, the first taken within 30 days of the beginning of the calendar year and the second within 30 days of the end of the year.

(c) For all other customer-sited sources, the annual production eligible for certificates shall be the gross output as measured by two meter readings, the first taken within 30 days of the beginning of the calendar year and the second within 30 days of the end of the year.

(d) After meter readings for the first year of eligibility are taken, subsequent year meter readings shall begin with the last meter reading for the prior year.

(e) A customer-sited source shall use a revenue quality meter to measure the electricity generated.

(f) The owner of the renewable energy source shall certify to the independent monitor and the commission that the meter operates to the manufacturer's standards.

(g) The customer shall maintain the meter according to the manufacturer's recommendations.

Puc 2506.03 Monitoring of Renewable Energy Sources Producing Useful Thermal Energy

(a) A co-fired generating facility shall measure and verify electricity generation in accordance with ISO-NE and NEPOOL GIS Operating Rules and use electric meters that meet the requirements of the electric distribution utilities as described in tariffs on file with the Commission.

(b) The co-fired generating facility shall measure the proportion of eligible biomass fuel combusted by the facility and the amount of electricity associated with the combustion of the eligible biomass fuel based on the high heating value of the fuels.

Puc 2506.04 Monitoring of Renewable Energy Sources Producing Useful Thermal Energy

(a) The owners of renewable energy sources eligible to produce useful thermal energy shall comply with the requirements of this part in measuring and reporting the production of useful thermal energy.

(b) Owners of renewable energy sources producing useful thermal energy shall meter the useful thermal energy with devices to measure and record both energy provided to (heating) and from (cooling) the end-user of useful energy.

(c) Water or steam measurement shall meet the requirements of American Society of Mechanical Engineers (ASME) standards for flow, pressure, and temperature measurements. The properties of water shall be determined using the latest version of ASME steam tables.

(d) Air measurement shall meet the requirements of ASME or American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) standards for flow, pressure, temperature, and humidity. Air properties shall be determined using ASHRAE or National Institute of Standards and Technology (NIST) properties for air.

(e) Measurement for other fluids shall meet the requirements of ASME standards for flow, pressure, and temperature. Physical properties for other fluids shall be determined using NIST properties for fluids.

(f) Electrical measurements shall use revenue quality metering that meets Institute of Electrical and Electronic Engineers (IEEE) standards.

(g) Standards developed by the International Organization of Legal Metrology (OIML) may provide guidance for heat and electrical measurement.

(h) The owners or operators of a geothermal system shall measure the net useful thermal energy by installing temperature and flow meters with an accuracy of at least $\pm 3\%$.

(i) The owners of a geothermal system shall measure the operating hours per day of the heat extraction device.

(j) The owners of a solar thermal system shall measure the net useful thermal energy by installing temperature and flow meters with an accuracy of at least $\pm 3\%$.

(k) The owners of a thermal biomass energy technology shall measure the net useful thermal energy by installing temperature and flow meters with an accuracy of at least $\pm 3\%$.

(l) The owners of renewable energy sources producing useful thermal energy shall calibrate the meters at least annually and in accordance with the manufacturer's recommendations. The devices used for calibration shall be traceable to NIST.

(m) The owners or of renewable energy sources producing useful thermal energy shall convert the useful thermal energy calculated in Btu to MWh by dividing the number of Btu by 3,412,000.

(n) The owners of renewable energy sources producing useful thermal energy shall calculate the net useful thermal energy to qualify for the production of renewable energy certificates as follows:

$$\text{NUTE} = (m_{\text{Hot}} * h_{\text{Hot}} - m_{\text{Cold}} * h_{\text{Cold}}) / 3,412,000 \text{ Btu/MWh} - E_{\text{El}}$$

Where:

NUTE = Net Useful Thermal Energy (MWh)

m_{Hot} = Mass flow to thermal load (lb/h)

m_{Cold} = Mass flow from thermal load (lb/h)

h_{Hot} = Enthalpy of fluid to thermal load (Btu/lb)

h_{Cold} = Enthalpy of fluid from thermal load (Btu/lb)

E_{El} = Net electrical energy into process (MWh)

3,412,000 = Conversion from Btu to MWh

(o) Owners of eligible useful thermal sources shall take data readings for the measurement of useful thermal energy on a frequency of at least every hour. The net useful thermal energy shall be totaled for each 24 hour period and each monthly period.

(p) Owners of the system shall install meters at the closest practical point to the delivery of the useful thermal energy.

(q) Owners shall retain the services of a registered independent monitor to verify the useful thermal energy production from the source.

(r) The owner of the source shall report to NEPOOL GIS the amount of MWh of net useful thermal energy produced for the reporting period as verified by the independent monitor.

Puc 2506.05 Monitoring of Combined Heat and Power Facilities

(a) Meters installed at a combined heat and power facility to measure electricity shall meet the requirements of Puc 900 or be equivalent to revenue quality meters.

(b) Meters installed at a combined heat and power facility to measure useful thermal energy shall meet the requirements of Puc 2506.04.

(c) An independent monitor shall verify any data necessary for verifying the amount of renewable energy certificates, excluding any electrical generation reported directly to ISO-NE.

Puc 2506.06 Request for Alternative Monitoring Methodology.

(a) A source who wishes to obtain approval of an alternate monitoring methodology shall submit a written request to the commission.

(b) The request for an alternative monitoring methodology shall include the following information:

(1) The name, mailing address, daytime telephone number, and e-mail address of the person requesting approval for the proposed alternative method;

(2) The name and location of the source at which the proposed alternate will be implemented;

(3) The identity of the specified method or requirement and the reason why it cannot be used as directed;

(4) A description of the proposed alternative methodology; and

(5) Technical data and information demonstrating that the purpose of the specified method will be achieved by the proposed alternate and that the proposed alternative produces results that are at least as precise and accurate as those produced by the specified method.

(c) The commission shall approve an alternative monitoring methodology that meets the requirements of (b) above.

Puc 2506.07 Independent Monitors.

(a) An independent monitor shall verify the production of electricity of a customer-sited source and the production of useful thermal energy from a renewable energy source acquiring certificates pursuant to this part. Such a ~~customer-sited~~ source shall either retain the services of an independent monitor directly or, if participating in aggregation pursuant to Puc 2506, through an aggregator.

(b) A public utility that is a distribution company pursuant to RSA 362-F:2, XIV shall be eligible to serve as an independent monitor for customer-sited sources within its service territory, provided that the utility employs one or more persons to perform monitoring tasks who meet the qualifications specified in paragraph (c).

(c) Except as provided in subsection (b), an independent monitor shall be:

(1) An electrician licensed by the state of New Hampshire and in good standing;

(2) A professional engineer licensed by the state of New Hampshire and in good standing;

(3) A certified building analyst professional or a certified mechanical professional as certified by the Building Performance Institute, Inc. of Malta, New York;

(4) A certified energy manager as certified by the Association of Energy Engineers;

(5) A home energy rater as certified by Residential Energy Services Network (RESNET); ~~or~~

(6) For verifying useful thermal energy, a plumber licensed by the state of New Hampshire and in good standing; or

(6) Certified as an independent monitor under a renewable portfolio standard program in another state.

(d) To qualify as an independent monitor, an applicant shall file an application with the commission that includes:

(1) The name of the applicant;

(2) The business address of the applicant;

(3) A copy of the license issued by the state of New Hampshire or such other qualifying certification as may be applicable.

(e) The commission shall certify as a qualified independent monitor an applicant meeting the requirements of paragraph (c) above, maintaining a list of qualified monitors on its web site.

(f) No ~~customer-sited~~ source shall use an independent monitor who is a member of the immediate family of the owner of the source or who sold or installed the equipment used by the source.

(g) The fact that a provider of electricity installed the ~~customer-sited~~ source shall not be a disqualifying relationship pursuant to (f) above.

(h) The duties of the independent monitor shall be:

(1) To perform an initial inspection of source's meter for accuracy and capability to measure the ~~power~~ electricity produced, unless the meter is owned by a distribution company that has already inspected it pursuant to Puc 305;

(2) To perform an initial inspection of source's meter for accuracy and capability to measure the useful thermal energy produced;

~~(2)~~ To measure annually the source's electricity production or ~~displacement~~ useful thermal energy production used to qualify for certificates pursuant to Puc 2505.08, Puc 2505.10, ~~or Puc 2505.11, Puc, 2505.12, or Puc 2505.13;~~

(3) To report the production ~~or displacement~~ of electricity ~~service~~ to the customer and the commission annually, no later than January 31 for the preceding calendar year;

(4) To report the production of useful thermal energy and a summary of supporting data to the customer and the commission annually, no later than January 31 for the preceding calendar year; and

(4) The inspection of ~~customer-sited~~ projects pursuant to Puc 2507.04(h).

(i) An independent monitor shall not receive compensation for monitoring services that is a function of the number of certificates issued to any source using the monitor.

(j) A monitor shall provide the commission with notice prior to discontinuing services as a monitor.

Puc 2505.08. Class I Source Qualified as Class III Source. Beginning on July 1, 2013, a Class III source eligible as a Class I source may submit a letter to the commission requesting to be a Class III source instead of Class I source. After approval by the commission, the production from such source shall qualify for Class III certificates.

~~Puc 2505.13~~—09 Adjudicative Proceedings. The commission shall conduct an adjudicative proceeding pursuant to RSA 541-A and Puc 200 upon petition by an applicant, source, or other party aggrieved by a decision under this part.

~~Puc 2505.11 Measurement of Electricity Displaced from Solar Hot Water Heating Systems.~~

~~—(a) The displacement of electricity consumption from a solar hot water heating system, for the purpose of qualifying such displacement for acquisition of certificates, shall be determined for each calendar year pursuant to this section.~~

~~—(b) When a customer has installed a solar hot water system to replace or supplement one or more existing electric hot water heaters, the annual displacement shall be initially calculated by separately determining, for each monthly metering period, the net reduction in the customer's electric consumption as compared to the equivalent period prior to the system installation.~~

~~—(c) A net reduction calculated pursuant to (b) above shall be adjusted by any known factors which individually or in aggregate can be reasonably estimated by a monitor to otherwise increase or decrease total metered electrical consumption by more than 10 percent in a given year.~~

~~——(d) For purposes of (c) above, “known factors” shall include but not be limited to an increase or decrease in household size, material changes in consumption patterns or business activity, or significant additions, subtractions or modifications of energy consuming devices.~~

~~——(e) If the electric consumption of a hot water heater is directly measured for the monthly metering periods in the calendar year prior to installation of a solar hot water heating system, then the actual net reduction in electric consumption for hot water heating for such a metering period may be a substitute for the monthly estimates described above.~~

~~——(f) If a customer installs a solar hot water system in a newly constructed building or addition in which there was no previous hot water heating system, then the annual displacement shall be the estimated difference between the actual annual electric consumption and what such consumption would otherwise have been without the solar hot water heating system.~~

~~——(g) Customers may choose to directly meter the production of their solar hot water system using commercially available meters that measure and convert British thermal units to kilowatt-hours, where one kilowatt-hour of certificate-eligible generation shall be deemed to occur upon the delivery of 3,412 British thermal units of metered thermal energy by the solar hot water system.~~

~~——(h) To be eligible to acquire certificates based on electricity displacement pursuant to paragraph (b) or (f), a customer shall submit to the commission one or more estimates of displacement by an independent monitor.~~

~~——(i) Each such estimate shall be reviewed by the commission and accepted by it if it finds the estimate to be reasonable. The commission shall reject the estimate if it finds it to be unreasonable with an explanation provided in writing and an opportunity for resubmission.~~

~~Puc 2505.12 Notification of Change.~~

~~——(a) A customer-sited source certified under this part shall notify the commission in writing and within 10 days whenever there is a change in ownership, primary fuel or any other information contained in its application for certification.~~

~~——(b) The commission shall revoke or modify the certification of a customer site source when it determines upon investigation that any changed circumstances reported under this section require such revocation or modification pursuant to this part.~~

PART Puc 2506 AGGREGATION OF SOURCES

Puc 2506.01 Registration.

(a) A person not otherwise qualified to obtain certificates as a provider of electricity may purchase, combine, and re-sell whole or fractional certificate issued by the commission to customer-sited sources or sources producing useful thermal energy by registering as an aggregator pursuant to this section.

(b) An application for registration as an aggregator shall contain:

- (1) The name of the aggregator;
- (2) The address and telephone number of the aggregator;
- (3) Identification of the independent monitor or monitors responsible for verifying the production of energy from the applicable customer-sited sources or sources producing useful thermal energy;
- (4) A disclosure of whether there is any family or business relationship between such independent monitor or monitors and the aggregator; and
- (5) A description of how the monitors will be compensated for its services.

(c) An aggregator may aggregate fractional or whole certificates only if:

- (1) The associated generation uses the same energy resource and technology, as described in Puc 2502.07 and Puc 2502.08;
- (2) The source is otherwise eligible to acquire certificates pursuant to Puc 2504.03 above; and
- (3) The energy associated with the certificates was produced in the same calendar year.

(d) An aggregator shall provide the commission with at least 30 days' notice before discontinuing the provision of aggregation services.

Puc 2506.02 Prohibited Relationships.

(a) An aggregator shall not purchase certificates from a customer-sited source or source producing useful thermal energy if the aggregator has a prohibited relationship to an independent monitor, equipment manufacturer, equipment installer or owner associated with the source.

(b) For purposes of this section, "prohibited relationship" means

- (1) A direct or indirect ownership interest comprising at least ten percent of the stock or other equity of an entity,
- (2) Common direct or indirect ownership of at least ten percent,
- (3) Membership in the same household or immediate family, or
- (4) Service as an officer, director, partner, employee, agent or fiduciary.

(c) If a prohibited relationship pursuant to (b) exists between a customer-sited source and any member of an aggregator's household or immediate family, then the aggregator shall also be deemed to have such a prohibited relationship pursuant to this section.

PART Puc 2507 RENEWABLE ENERGY FUND

Puc 2507.01 Source of Fund. All alternative compliance payments deposited pursuant to Puc 2503.02 with the state treasurer shall be held in a nonlapsing account to be known as the renewable energy fund. The commission shall account separately for alternative compliance payments received in connection with Class II certificate acquisition obligations.

Puc 2507.02 Annual Report of Fund.

(a) On September 1 of each year, the commission shall publish on its web site a report of the renewable energy fund including:

- (1) Class II alternative compliance payments received in the calendar year;
- (2) Class I, III and IV alternative compliance payments received in the calendar year;
- (3) An estimate of the Class II amounts in the alternative compliance fund available to support new solar energy technology initiatives; and
- (4) An estimate of Class I, III and IV amounts in the alternative compliance fund available to support other thermal and electrical renewable energy initiatives.

Puc 2507.03 Renewable Energy Initiatives.

(a) The commission shall periodically issue a request for proposals for initiatives to be supported by the renewable energy fund. All such initiatives shall be located in New Hampshire.

(b) In determining whether and to what extent it will dedicate money from the renewable energy fund to proposals submitted pursuant to (a) above, the commission shall consider the extent to which:

- (1) The initiative is likely to expand or support the production capacity of renewable energy facilities located in New Hampshire;
- (2) The initiative is likely to be cost-effective;
- (3) The initiative promotes market transformation, innovation, and energy cost savings;
- (4) The initiative will reduce New Hampshire's peak load as well as defer or eliminate local utility distribution plant expenditures;

- (5) The initiative is likely to result in economic development and environmental benefits for New Hampshire;
- (6) The initiative increases fuel diversity in the production of electricity or thermal energy for consumption in New Hampshire; and
- (7) The applicant has the capacity to successfully complete the initiative and the significance of the proposed assistance of the renewable energy fund in the viability of the project.
- (c) The commission on its own motion shall dedicate funds for those initiatives that it finds are:
- (1) Substantially consistent with the factors set forth in (b) above;
 - (2) Realistically proposed and achievable by the applicant; and
 - (3) Most likely, on balance, to advance the purposes of RSA 362-F, within the constraint of available funds.
- (d) The commission shall allocate all Class II alternative compliance payments into the renewable energy fund, on an annual basis, to projects and initiatives that support eligible solar technologies.
- (e) The commission shall allocate not less than 20 percent of Class I, II, III and IV alternative compliance payments received on an annual basis to customer-sited thermal and renewable energy projects of up to 100 kilowatt in gross nameplate capacity or the equivalent thermal output provided that such customer-sited projects meet the requirements of Puc 2507.04.
- (f) The commission on its own motion and after notice and hearing shall establish a rebate program for customer-sited renewable energy projects of up to 100 kilowatt or equivalent thermal output, to be supported by the fund allocated pursuant to (e) above.

Puc 2507.04 Customer-Sited Projects and Sources Producing Useful Thermal Energy.

- (a) The provisions of this part shall apply to customer-sited generation of up to 100 kW in gross nameplate capacity or equivalent sources producing useful thermal energy.
- (b) Persons seeking funds for customer-sited projects or sources producing useful thermal energy from the renewable energy fund shall apply according to this section.

- (c) An applicant shall be:
- (1) A residential, commercial, industrial, institutional, or public entity in New Hampshire;

- (2) An end use customer of provider of electricity located in New Hampshire; and
- (3) The owner of the proposed project.

(d) Applications pursuant to this part shall include the following information:

- (1) The name, address and telephone number of the applicant;
- (2) The location of the proposed project;
- (3) The name and address of the monitor who will verify installation and production;
- (4) The type of technology used in the proposed project; and
- (5) The nameplate capacity of the proposed project.

(e) Applications shall include a signed contract with a primary installer or vendor that provides customers with a turnkey service.

(f) If the applicant intends to install the project, the applicant shall apply for a waiver from (e) above.

(g) The commission shall notify an applicant by letter if his or her proposal is accepted for funding from the renewable energy fund, including the amount, in dollars, that may be provided through the renewable energy fund.

(h) Prior to receiving any monies from the renewable energy fund, the applicant shall demonstrate that the project is installed and operating by providing an attestation by a monitor or a distribution company that states:

- (1) The project is installed and operating in conformance with applicable codes, including applicable safety, zoning and building codes and has received any required inspections;
- (2) The interconnection between the project and the distribution utility complies with the applicable interconnection, testing, and operational requirements, though not necessarily the net metering requirements, of Puc 900, "Net Metering for Customer-Owned Renewable Energy Generation Resources," or in the alternative, Puc 307.06; and
- (3) The monitor or distribution utility has inspected the installation.

(i) Upon demonstration that the project is installed and operating, the commission shall provide the state treasurer information regarding:

- (1) The name and address of the recipient of the money; and

(2) The amount of money to be disbursed to the recipient pursuant to (i) above.

Puc 2507.05 Audit. A recipient of any monies disbursed from the renewable energy fund shall make its books, records and facilities available to the commission for the purpose of allowing the commission to discharge its audit responsibilities pursuant to RSA 362-F:10, I.