

Granite State Hydropower Association, Inc.

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January 12, 2023

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: IR 22-053, Investigation of Energy Commodity Procurement (Renewable Portfolio Standard; Default Service Electric Power; Cost of Gas) Methodology and Process Granite State Hydropower Association Petition to Intervene

The Granite State Hydropower Association (GSHA) submits the following response to utilities' technical statements previously filed in this docket.

GSHA supports Unitil and Liberty's position that utilities should continue to be responsible for procuring Renewable Energy Certificates (REC) and Renewable Portfolio Standard (RPS) compliance and we oppose Eversource's recommendation that RPS compliance be shifted to competitive suppliers that provide default energy service.

Annual Renewable Energy Fund (REF) reports show that competitive suppliers pay the majority of Alternative Compliance Payments (ACPs) and in our experience some make little or no effort to procure RECs. ACPs are a ceiling price for RECs and procuring RECs reduces compliance cost significantly. As Liberty stated is has "saved its customers over \$11 million dollars by purchasing RECs in the competitive market as compared to meeting the obligation by exclusively making alternative compliance payments." While utilities have an obligation and are subject to review to comply with RPS in a least cost approach, this is not the case for competitive suppliers. Competitive suppliers may charge the full ACP price and pass that cost on to utility ratepayers through their default service charge. We encourage the Commission to continue the current practice and to maintain RPS compliance responsibility with the utilities that should continue to request competitive bids for RECs to achieve a least cost approach to RPS compliance. We do agree with the utilities that certainty regarding a given compliance year's obligation should be provided as early as possible to avoid changing the amount of RECs needed to be procured after REC purchases have occurred.

GSHA also recommends that the Commission consider allowing the regulated utilities to blend medium or long term Power Purchase Agreements (PPAs) to meet a certain amount of their energy supply obligations. This is common practice for non-regulated and municipal utilities in NH and other states and those utilities in the region currently have significantly lower energy supply rates than regulated utilities in NH. PPA solicitations are competitive and can be bundled with REC procurement. PPAs offer protection against price volatility for both customers and generators.

We look forward to discussing further and answering any questions the Commission and other parties may have at the next scheduled technical session in this docket.