

STATE OF NEW HAMPSHIRE

Intra-Department Communication

DATE: December 6, 2012

AT (OFFICE): NHPUC

FROM: Barbara Bernstein *BB*
Sustainable Energy Analyst

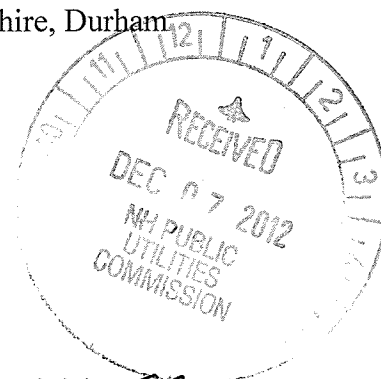
SUBJECT: Citigroup Energy, Inc., Request for Recognition of Class I Renewable Energy Certificates Intended for Banking in Quarter One 2012 for:

- DE 08-129, University System of New Hampshire, Durham Power Plant; and,
- DE 11-182 Stetson II Wind Farm

Staff Recommends Approval

TO: Chairman Amy L. Ignatius
Commissioner Robert R. Scott
Commissioner Michael Harrington
Debra A. Howland, Executive Director and Secretary

CC: Jack K. Ruderman, Director of the Sustainable Energy Division *JKR*
Suzanne Amidon, Staff Attorney



Analysis

On October 26, 2012, the Commission received a letter from Pavel Favinsky, Citigroup Global Commodities, Citigroup Energy, Inc., (Citigroup Energy) requesting that the Commission permit certain RECs generated from the University System of New Hampshire (DE 08-129) – Durham Power Plant (UNH Power),¹ and the Stetson II Wind Farm (Stetson II)² to be banked on behalf of Citigroup Energy's clients and made available for future trading periods.

Mr. Favinsky's letter states that he was unaware of the GIS reporting process and therefore RECs meant for Citigroup clients were not banked prior to the end of the Q1 trading period; this caused the RECs to be retired towards the Residual Mix.³ To resolve this discrepancy, the Commission has the authority to issue a secretarial letter stating that even though the NEPOOL GIS does not display Citigroup Energy's Q1, (January 1 through March 31, 2012) RECs as NH RPS eligible, the NH PUC will still accept them for RPS compliance when the end user retires them at the end of the year.

¹ DE 08-129

² DE 11-182

³ Mr. Webb, the NEPOOL GIS Administrator, informed Mr. Favinsky that the process was not automated, as Mr. Favinsky assumed, and that the Commission has the authority to have the RECs in question reinstated.

The GIS Administrator submitted the following table that provides a summary of the RECs in question:

Month of Generation	NH Certification #	Unit ID	Unit Name	Fuel Type	Certificate Numbers	Quantity	NH Class
2012/2	NH-I-09-004	MSS1529	UNH Power	Landfill Methane Gas	342532 – 1 to 2304	2304	I
2012/3	NH-I-09-004	MSS1529	UNH Power	Landfill Methane Gas	3425335 – 975 to 3670	2696	I
2012/1	NH-I-11-036	MSS16612	Stetson II	Wind	345394 – 2777 to 5552	2776	I
2012/2	NH-I-11-036	MSS16612	Stetson II	Wind	345395 – 2235 to 4468	2234	I
2012/3	NH-I-11-036	MSS16612	Stetson II	Wind	345396 – 1977 to 3953	1977	I

Staff Recommendation

Staff recommends that the Commission grant Mr. Favinsky's request and issue a secretarial letter stating that even though the NEPOOL GIS does not display Citigroup Energy's Q1, (January 1, 2012 through March 31, 2012) RECs as NH RPS eligible, the NH PUC will still accept them for RPS compliance when the end user retires them at the end of the year. Staff recommends the secretarial letter request the following:

- A notarized statement on official letterhead by the Authorized Representative of Citigroup Energy, attesting that the GIS certificates listed in the statement have not otherwise been, nor will be, sold, retired, claimed, used, or represented as part of electrical energy output or sales, or used to satisfy obligations, in jurisdictions other than New Hampshire.
- That a notarized statement and a copy of the secretarial letter shall be provided to the Retail Electricity Supplier to which the certificates are transferred; and,
- That the Supplier shall submit a copy of the notarized statement and the secretarial letter to the Commission as part of its 2012 RPS Class I annual compliance filing.

In addition, staff recommends the Commission note that this decision regarding the 2012 Q1 certificates shall not be regarded as establishing a precedent, and the Commission may deny any similar Citigroup Energy request for a waiver in the future.

Staff finds that Citigroup Energy's error was inadvertent, and that correcting the mistake will not adversely affect the RPS program. Further, Staff finds that it is in the best interests of the RPS that the certificates at issue be honored for 2012 RPS Class I compliance.