

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: April 28, 2009

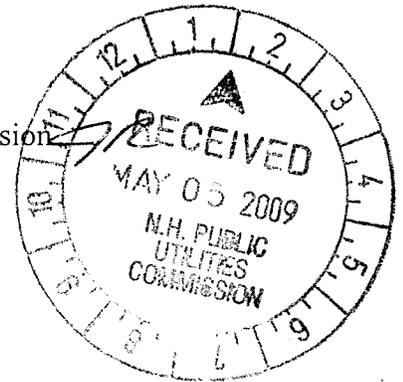
AT (OFFICE): NHPUC

FROM: Maureen L. Reno, *MLR*
Utility Analyst

SUBJECT: Docket Number DE 09-012 Consolidated Hydro New Hampshire, Inc.'s Application for Class IV Certification pursuant to RSA 362-F Staff recommendation

TO: Chairman Thomas B. Getz
Commissioner Graham J. Morrison
Commissioner Clifton C. Below
Debra A. Howland, Executive Director and Secretary

CC: Jack K. Ruderman, Director, Sustainable Energy Division
Suzanne Amidon, Staff Attorney



Summary

On January 30, 2009, Consolidated Hydro New Hampshire, Inc. (CHNHI) submitted an application requesting the Commission grant approval of its Salmon Falls, a.k.a. South Berwick, hydroelectric facility (Salmon Falls) to produce Class IV renewable energy certificates pursuant to RSA 362-F, New Hampshire's Renewable Portfolio Standard Law. Pursuant to RSA 362-F:4, IV, Class IV eligibility requires that a facility began operation prior to January 1, 2006, has a nameplate capacity of 5 MWs or less, has installed upstream and downstream diadromous fish passages and when required, has documented applicable state water quality certification pursuant to section 401 of the Clean Water Act.

Pursuant to RSA 362-F, the Commission, in a non-adjudicative process, is required to issue a determination of whether a facility meets a particular classification within 45 days of a completed application. The Salmon Falls facility application was completed on March 31, 2009. The Salmon Falls facility meets the eligibility requirements under RSA 362-F:4, IV as a Class IV facility and complies with the N.H. Admin Code Rule Puc 2500. CHNHI has provided all the necessary documents to receive certification as a Class IV facility. Based on its review of the application, Staff recommends that the Commission approve the Salmon Falls hydroelectric facility as eligible for Class IV RECs effective March 31, 2009.

Analysis

The Salmon Falls facility is a run-of-river hydroelectric facility located on the Salmon Falls River at the head of tide in South Berwick, Maine and Rollinsford, New Hampshire. The facility's street address is Liberty Street, South Berwick, Maine. The facility contains three vertical Francis turbines with a total capacity of 1.2 megawatts. The facility entered commercial operation on July 1, 1986 and holds a forty year operating license that was issued by the Federal Regulatory Energy Commission (FERC) on December 9, 1997. *See* FERC Order No. 62,172 issued December 9, 1997. The facility's NEPOOL generation information system facility code is MSS883.

Pursuant to RSA 362-F: 4, IV, the hydroelectric facility is required to have upstream and downstream diadromous fish passages. Pursuant to FERC Order No. 62,172, the facility was required to install fish passages at the facility. The applicant also submitted letters from FERC acknowledging that FERC received recent upstream and downstream fish passage monitoring reports that it submitted to FERC in 2007 and 2006, respectively. These letters from FERC demonstrate that the upstream and downstream fish passages were installed. Therefore, the Salmon Falls facility fish passages meet the requirement of upstream and downstream diadromous fish passages under RSA 362-F.

Pursuant to RSA 362-F:4,IV, the applicant must demonstrate that it has the respective state water quality certification pursuant to section 401 of the Clean Water Act for hydroelectric projects. The applicant provided a copy of a letter from the State of Maine Department of Environmental Protection dated May 23, 1995 stating that the facility's operation and monitoring plan meets section 401 of the Clean Water Act.

Pursuant to Puc 2505.02 (b) (8), the applicant must submit proof that it 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." The applicant submitted and Staff verified the facility's interconnection agreement with Public Service Company of New Hampshire effective March 13, 1987, the effective date of the Commission order approving long-term rates from 1987 to 2006.¹ Since these long-term rates have expired, the facility meets the requirement set forth in Puc 2505.01 (e), which states that no generation facility shall be eligible to acquire new certificates while selling its electrical output at long-term rates under RSA 362-A:4.

Pursuant to Puc 2505.02 (b) (11), the applicant is required to include a statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standards and proof thereof. The applicant stated and Staff verified that the facility has been certified under the Connecticut, Massachusetts and Rhode Island renewable portfolio standard programs.

¹ The facility's long term rates for the years 1987 to 2006 was approved by the Commission in its Second Supplemental Order No. 18,597, dated March 13, 1987, in DR 86-247.

Recommendation

Staff has reviewed the Salmon Falls application and can affirm it is complete pursuant to N. H. Code Admin. Rule Puc 2500. Staff recommends that the Commission certify the Salmon Falls facility as being eligible for Class IV RECs effective March 31, 2009, the date on which Staff was able to make a determination that the facility met the requirements for certification as a Class IV renewable energy source.