

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: July 9, 2009

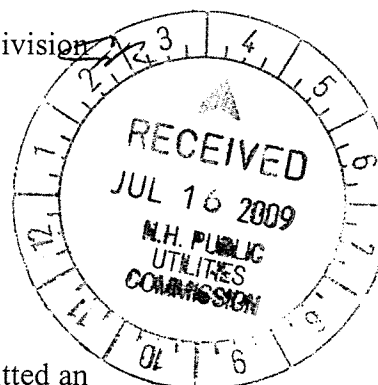
AT (OFFICE): NHPUC

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

SUBJECT: DE 09-082, WM Renewable Energy, L.L.C.'s Application for Class I Eligibility of its New Milford Landfill facility Pursuant to RSA 362-F Staff Recommendation

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

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



Summary

On April 30, 2009, WM Renewable Energy, L.L.C. (WMRE) submitted an application requesting the Commission grant approval of its New Milford landfill methane gas facility (New Milford facility) to produce Class I renewable energy certificates (RECs) pursuant to RSA 362-F, New Hampshire's Electric Renewable Portfolio Standard law. Pursuant to RSA 362-F:4, I, Class I eligibility requires a facility to have begun the production of electricity after January 1, 2006 and to use certain sources to produce electricity, one of which is methane gas.

Pursuant to RSA 362-F, the Commission, in a non-adjudicative process, must issue a determination of whether a facility meets a particular classification within 45 days of a completed application. The New Milford facility application was completed on June 15, 2009. The New Milford facility meets the Class I eligibility requirements under RSA 362-F:4, I. WMRE has complied with the N. H. Code Admin. Rule Puc 2500 and has provided all the necessary information. Based on its review of the application, Staff recommends that the Commission approve the New Milford facility as eligible for Class I RECs effective June 15, 2009.

Analysis

The New Milford facility is a landfill methane gas facility, has a gross nameplate capacity of 2.4 megawatts (MW) and began commercial operation in April 2008. The facility is located at 182-2 Danbury Road, New Milford, Connecticut. The facility's NEPOOL generation information system facility code is MSS978.

The New Milford facility originally consisted of one Solar Centaur Turbine with a rated capacity of 3.1 MW installed prior to January 1, 2006. In or around December 2007, the Solar Centaur Turbine was fully removed and replaced with three 3516 Caterpillar engines with a rated capacity of 2.4 MW. In response to Staff's request, the applicant submitted the capital investment costs on June 15, 2009. The capital investment of \$3,930,087 was completed on or about April 2008. The resulting total federal income tax basis of the facility's plant and equipment for 2008 excluding property and intangible assets is \$3,930,087. As a result, the investment made to the New Milford facility in 2008 represent 100 percent of the facility's federal income tax basis. Given this investment, the applicant has demonstrated that it has completed capital investments intended to restore generation to the facility and exceeds the 80 percent federal income tax basis threshold for new plants required under RSA362-F:4, I (j).

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." WMRE submitted and Staff verified an interconnection agreement with Connecticut Light and Power Company effective February 11, 2002.

Pursuant to Puc 2505.02 (b) (11), the applicant shall include a statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standards and proof thereof. The New Milford facility has been certified in Connecticut as a Class I source and in Massachusetts as a Renewable Resource.

Recommendation

Staff has reviewed the New Milford facility application and can affirm it is complete pursuant to N. H. Code Admin. Rule Puc 2500. Staff recommends that the Commission certify the New Milford facility as being eligible for Class I RECs effective June 15, 2009, the date on which Staff was able to make a determination that the facility met the requirements for certification as a Class I renewable energy source.