

STATE OF NEW HAMPSHIRE

Intra-Department Communication

DATE: May 6, 2010

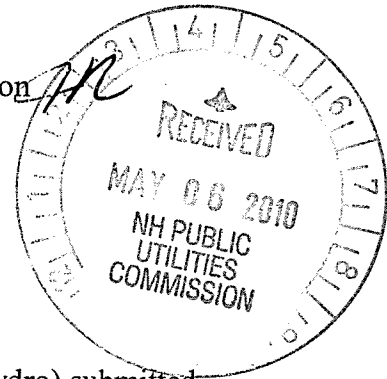
AT (OFFICE): NHPUC

FROM: Maureen L. Reno *MLR*
Utility Analyst

SUBJECT: Staff Recommendation Re: DE 10-080 Black Bear Hydro Partners, LLC's Application for Class IV Eligibility of its Medway Hydroelectric Facility pursuant to RSA 362-F

TO: Chairman Thomas B. Getz
Commissioner Clifton C. Below
Commissioner Amy L. Ignatius
Debra A. Howland, Executive Director

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



Summary

On April 1, 2010, Black Bear Hydro Partners, LLC (Black Bear Hydro) submitted an application requesting that the Commission grant approval of its Medway hydroelectric facility (Medway facility) to produce Class IV Renewable Energy Certificates (RECs) 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 five megawatts 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 receipt of a completed application. The Medway facility application was completed on April 1, 2010. The Medway facility meets the eligibility requirements under RSA 362-F:4, IV as a Class IV facility and complies with the New Hampshire Code of Administrative Rules Puc 2500. Based on its review of the application, Staff recommends that the Commission approve the Medway hydroelectric facility as eligible for Class IV RECs effective April 1, 2010.

Analysis

The Medway facility is a run-of-river hydroelectric facility located on the West Branch of the Penobscot River, Route 116, Medway, Maine and has a total gross nameplate capacity of 3.44 megawatts. The facility initially began operation in 1923. The Medway facility currently operates under the Federal Energy Regulatory Commission (FERC) license No. 2666, which was initially issued on March 29, 1979 and was reissued on March 29, 1999.¹ The facility's NEPOOL generation information system facility code is MSS 16525.

Pursuant to RSA 362-F: 4, IV, the hydroelectric facility is required to have upstream and downstream diadromous fish passages. The reissued FERC license for the Medway facility requires the licensee to construct upstream and downstream fish passages at the facility. Black Bear Hydro submitted a December 7, 2000 FERC Order verifying installation of permanent downstream fish passages pursuant to Article 406 of the March 29, 1999 FERC Order. Black Bear Hydro also submitted a 2007-2009 American Eel Upstream Passage Assessment which states that the applicant installed permanent upstream fish passages in 2004. Therefore, the Medway facility meets the requirement of upstream and downstream diadromous fish passages pursuant to 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 Medway facility's FERC license states that, on December 23, 1998, the Maine Department of Environmental Protection approved its water quality certification.

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 between Bangor Hydro Electric Company and PP& L Global, Inc., the parent of PPL Maine, effective May 27, 1999.

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 Medway facility qualifies as a Class II renewable energy source in the State of Maine.

¹ The Medway Project's license was transferred from Bangor Hydro-Electric Company to Penobscot Hydro, LLC, which later changed its name to PPL Maine, LLC (PPL Maine) by Federal Energy Regulatory Commission order dated April 1, 1999 (87 FERC ¶62,001). The Stillwater Project license was subsequently transferred from PPL Maine to Black Bear Hydro Partners, LLC by FERC order dated September 17, 2009 (128 FERC ¶62,212).

Recommendation

Staff has reviewed the Medway facility application and can affirm it is complete pursuant to Puc 2505.02. Staff recommends that the Commission certify the Medway facility as being eligible for Class IV RECs effective April 1, 2010, the date on which Staff was able to make a determination that the facility meets the requirements for certification as a Class IV renewable energy source.