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THE STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION 21 S. Fruit Street, Suite 10 Concord, N.H. 03301-2429

June 14, 2010

Michael D. Ferguson Vice President Indeck Energy Services, Inc. 600 North Buffalo Grove Road Buffalo Grove, Illinois 60089

> Re: DE 10-120 Indeck Energy-Alexandria, LLC Certification Application for Class III Eligibility Pursuant to RSA 362-F

Dear Mr. Ferguson:

On April 30, 2010, you submitted an application on behalf of Indeck-Alexandria, LLC (Indeck) requesting certification of the Indeck Alexandria biomass facility (Alexandria facility) as a Class III renewable energy facility. The Alexandria facility is currently certified, pursuant to a secretarial letter dated April 14, 2010, as eligible to produce Class I renewable energy certificates (RECs).

Although the facility initially began operation in January 1988, Indeck purchased the facility in 1997 and recommissioned it in 2008. Since Indeck completed capital investments intended to restore generation that exceeded 80 percent of the federal income tax basis threshold for the new plant as required under RSA 362-F:4, I(j), the Commission designated the facility as eligible to produce Class I RECs effective April 6, 2010. However, in your recent application, you ask the Commission to change the Alexandria facility's current Class I eligibility to Class III eligibility. You aver that switching to Class III eligibility is in the best interest of New Hampshire customers because the demand for Class I RECs is significantly less than the demand for Class III RECs since the minimum 2010 obligations for Class I and Class III RECs are 1 percent and 6.5 percent, respectively.

Indeck's request that the Commission change the Alexandria facility's eligibility status is contrary to RSA 362-F:4, I (j) which states, in relevant part, that production of electricity from a Class III or IV source that has begun operation as a new facility shall not qualify for Class III or Class IV RECs. Therefore, the Commission has denied your request to certify the Alexandria facility as eligible to produce Class III RECs.

Sincerely,

Juli. A. Wouland

Debra A. Howland Executive Director

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