

2018 RPS Review
Stakeholder Session #2
Discussion Points

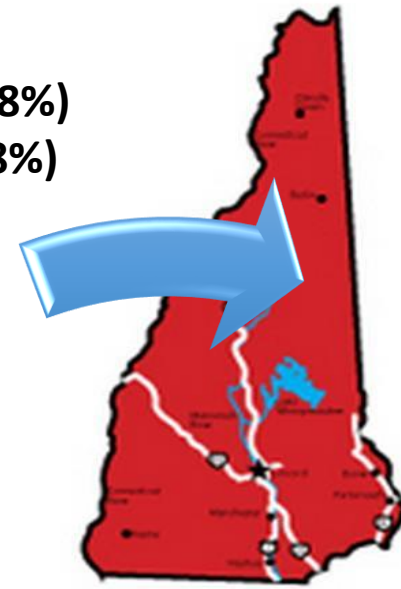
May 10, 2018

L. Linowes

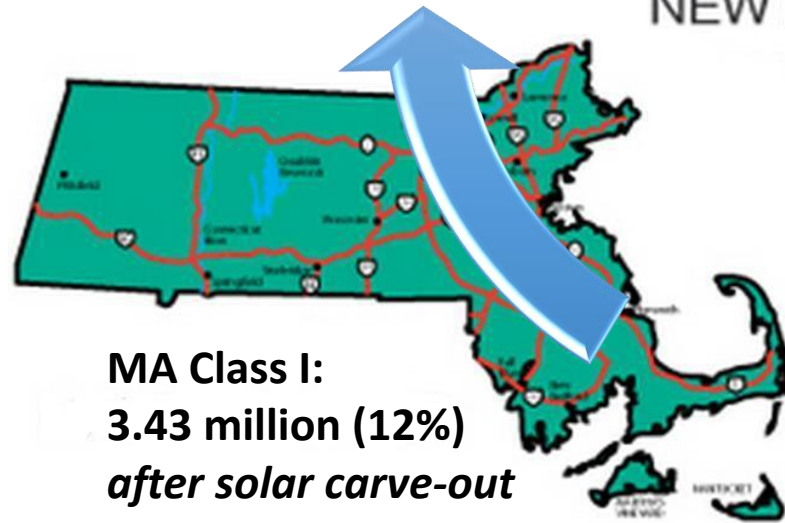


2017 RPS MANDATES

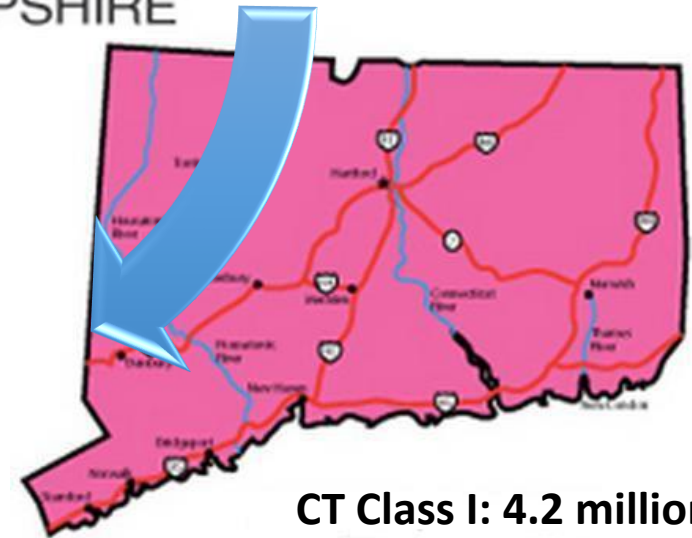
NH Class I: 736,573 (6.8%)
NH Class III: 842,400 (8%)



NEW HAMPSHIRE



MA Class I:
3.43 million (12%)
after solar carve-out



CT Class I: 4.2 million (15.5%)



2017 REC SUPPLY

SUPPLY GROWTH

Fuel Type	2016	2017	Difference	% chg
Biomass	2,243,485	2,253,042	9,557	0.4%
LFG	1,277,006	1,223,875	-53,131	-4.2%
Solar	1,794,987	2,438,898	643,911	35.9%
Wind	4,085,958	5,281,900	1,195,942	29.3%
Wood	2,305,730	2,196,949	-108,781	-4.7%
Totals	11,707,166	13,394,664	1,687,498	14.4%

...INCLUDING IMPORTS

2016	2017	Difference	% chg
0	61,785	61,785	--
641,230	627,449	-13,781	-2.1%
0	0	0	0.0%
1,516,742	1,922,898	406,156	26.8%
466,695	469,370	2,675	0.6%
2,624,667	3,081,502	456,835	17.4%



RECOMMENDATIONS: Intent

- Maximize opportunity for RPS compliance w/RECs
- Protect in-state Resources during regional REC Surplus
- Protect NH Ratepayers during regional REC Shortage
- Increase Transparency



Recommendation #1: Amend ACPs consistency with other states.

- a) Impose flat \$56 ACP for Class I; remove CPI adjustment.
- b) Increase Class II ACP to \$1.00 above 2018 MA Class I ACP (\$68.95); permit CPI adjustment thereafter.
- c) Increase Class IV ACP to \$0.50 above 2018 MA Class II ACP (\$28.30); permit CPI adjustment thereafter.
- d) Reduce Class III ACP to flat \$45 and retain.

Effect: During shortage conditions, changing the ACPs as recommended should result in NH Class I, II, and IV being satisfied before flowing to other states. In all cases, achieving compliance with RECs is cheaper than paying ACPs.

Recommendation #2: Change in-service dates.

Change the in-service year for Class I (new) resources to January 1, 1998 to be consistent with the Massachusetts and Rhode Island RPS programs. The current in-service date is January 1, 2006.

Effect: This change will reduce Class I cost of compliance by opening it to landfill gas facilities that now flow to Connecticut to meet Connecticut's RPS Class I. This change will enable Class III to largely serve biomass resources. This change may require reconsideration of the current Class III mandate of 8%.



Recommendation #3: Reassess Class I-thermal percentage.

NH Class I Thermal (t) has the least compliance of ALL New England RPS programs

Year	Required Production (a)	Actual Production (b)	Incremental Growth (a-b)	% Compliance w/RECs	% Compliance w/ACPs
2013	0	0	--	--	--
2014	43,000 (0.4%)	9,909	9,909	23%	77%
2015	64,000 (0.6%)	16,476	6,567	25.7%	74.3%
2016	64,000 (0.6%)	19,977	10,068	31.2%	68.8%
2017	105,000 (1.0%)	36,491	16,514	34.8%	65.2%
2018	125,000 (1.2%)	N/A			

2018 ACP of \$25.69 (\$3.2 million)

- a) Reduce annual increases commensurate with growth; and/or
- b) Grant PUC authority to administratively lower Class I and Class I-t mandates.



Recommendation #4: Increase transparency (HB 225)

Additional reporting on the flow of RECs to better inform the PUC, the legislature, buyers/sellers of RECs, and the public, assist in connecting REC buyers and sellers, and generally inform policy adjustments.

Highlights

- a) Each provider of electricity shall report: the number of RECs that were purchased during the prior calendar year, by class, and identify the source of each REC.
- b) Each certified New Hampshire REC provider (or aggregator as defined by RSA 53-E:2, II working on its behalf) shall report: the number of RECs that were produced during the prior calendar year and the class of each REC.
- c) The commission shall disclose the above information as public information in the commission's annual report pursuant to RSA 362-F:10, IV.
- d) Public reporting will be October 1 after the compliance year has ended. The State of Connecticut currently mandates this information be submitted to the state where it is also made public.

