## STATE OF NEW HAMPSHIRE DEPARTMENT OF ENERGY

#### ELECTRIC RENEWABLE PORTFOLIO STANDARD

#### Adjustment to Renewable Portfolio Standard Class III Requirements

### SUPPLEMENTAL COMMENTS OF THE BRIDGEWATER POWER COMPANY

NOW COMES the Bridgewater Power Company ("BPC"), by and through its attorneys, Donahue, Tucker, & Ciandella, PLLC, and hereby submits the following supplemental comments with regard to the proposal identified in the above-referenced matter.

1. The Department of Energy ("the Department") issued an Order of Notice on February 10, 2023 for a public comment hearing in which the Department stated that, pursuant to RSA 362-F:4, VI, it was considering a modification to the Class III Renewable Energy Credit ("REC") purchase requirements for compliance year 2022 from the 8.0% established under New Hampshire Renewable Portfolio Standard ("NHRPS"). The reason set forth for the Department's consideration was the potential lack of availability of Class III RECs in the market due to "reduced production from a number of Class III certified biomass facilities," combined with uncertain demand and market dynamics on the regional scale, which called into question the ability of electricity providers to procure sufficient New Hampshire Class III RECs to satisfy the Class III RPS requirement for Compliance Year 2022.

2. BPC submitted written comments to the Department on March 1, 2023, in which the BPC did not oppose the reduction of the purchase requirement but expressed concern as to the future impact of the Department's decision in reducing the Class III REC purchase requirement for Compliance Year 2022 primarily because of the biomass phasedown in Connecticut. BPC also expressed in its comments that it had New Hampshire Class III RECs available for sale. 3. Comments were filed on behalf of the New Hampshire Electric Cooperative, Inc ("NHEC") on March 2, 2023, in which NHEC asserts that NHEC did not have an opportunity to procure 2022 New Hampshire Class III RECs during the 2022 compliance year.

4. BPC disputes this assertion. BPC contacted NHEC on September 1, 2022 with an offer to sell more than 20,000 New Hampshire Class III RECs at a price materially below the current Alternative Compliance Payment ("ACP").

5. NHEC further asserts that the biomass phasedown in Connecticut "does not appear to be affecting the economic scarcity of NH Class III resources". NHEC represented that many NH Class III qualified resources can trade their RECs in Massachusetts and Rhode Island markets.

6. BPC disputes this assertion as well. BPC does not qualify in these other markets, and, upon information and belief, no other NH Class III biomass facilities have generation that qualifies for RECs in either Massachusetts or Rhode Island.

7. BPC would suggest that a reduction in the purchase requirement to 3% of retail sales would be appropriate. This would signal to LSE's that they will have a tangible requirement going forward and this would help insure market integrity.

8. BPC appreciates the Department's thought and consideration.

Respectfully submitted, BRIDGEWATER POWER COMPANY Through its Attorneys DONAHUE, TUCKER & CIANDELLA, PLLC

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# **Certificate of Service**

I hereby certify that I transmitted a copy of these comments in accordance with the Orders of Notice by sending these comments to <u>Proceedings@energy.nh.gov</u> this 3<sup>rd</sup> day of March, 2023.

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Eric A. Maher, Esq.