

RIPUC Use Only

Date Application Received: ___/___/___
Date Review Completed: ___/___/___
Date Commission Action: ___/___/___
Date Commission Approved: ___/___/___

GIS Certification #:

RENEWABLE ENERGY RESOURCES ELIGIBILITY FORM

The Standard Application Form

Required of all Applicants for Certification of Eligibility of Renewable Energy Resource
(Version 5 – January 5, 2007)

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

Pursuant to the Renewable Energy Act

Section 39-26-1 et. seq. of the General Laws of Rhode Island

NOTICE:

When completing this Renewable Energy Resources Eligibility Form and any applicable Appendices, please refer to the State of Rhode Island and Providence Plantations Public Utilities Commission Rules and Regulations Governing the Implementation of a Renewable Energy Standard (RES Regulations, Effective Date: January 1, 2006), and the associated RES Certification Filing Methodology Guide. All applicable regulations, procedures and guidelines are available on the Commission's web site: www.ripuc.org/utilityinfo/res.html. Also, all filings must be in conformance with the Commission's Rules of Practice and Procedure, in particular, Rule 1.5, or its successor regulation, entitled "Formal Requirements as to Filings."

- Please complete the Renewable Energy Resources Eligibility Form and Appendices using a typewriter or black ink.

- Please submit one original and three copies of the completed Application Form, applicable Appendices and all supporting documentation to the Commission at the following address:

Rhode Island Public Utilities Commission
89 Jefferson Blvd
Warwick, RI 02888

Attn: Renewable Energy Resources Eligibility

In addition to the paper copies, electronic/email submittals are required under Commission regulations. Such electronic submittals should be sent to: Luly E. Massaro, Commission Clerk at lmassaro@puc.state.ri.us

- In addition to filing with the Commission, Applicants are required to send, electronically or electronically and in paper format, a copy of the completed Application including all attachments and supporting documentation, to the Division of Public Utilities and Carriers and to all interested parties. A list of interested parties can be obtained from the Commission's website at www.ripuc.org/utilityinfo/res.html.

- Keep a copy of the completed Application for your records.

- The Commission will notify the Authorized Representative if the Application is incomplete.

- Pursuant to Section 6.0 of the RES Regulations, the Commission shall provide a thirty (30) day period for public comment following posting of any administratively complete Application.

- Please note that all information submitted on or attached to the Application is considered to be a public record unless the Commission agrees to deem some portion of the application confidential after consideration under section 1.2(g) of the Commission's Rules of Practice and Procedure.

- In accordance with Section 6.2 of the RES Regulations, the Commission will provide prospective reviews for Applicants seeking a preliminary determination as to whether a facility would be eligible prior to the formal certification process described in Section 6.1 of the RES Regulations. Please note that space is provided on the Form for applicant to designate the type of review being requested.

- Questions related to this Renewable Energy Resources Eligibility Form should be submitted in writing, preferably via email and directed to: Luly E. Massaro, Commission Clerk at lmassaro@puc.state.ri.us

SECTION I: Identification Information

1.1 Name of Generation Unit (sufficient for full and unique identification):

Mount Copper

1.2 Type of Certification being requested (check one):

Standard Certification Prospective Certification (Declaratory Judgment)

1.3 This Application includes: (Check all that apply)¹

APPENDIX A: Authorized Representative Certification for Individual Owner or Operator

APPENDIX B: Authorized Representative Certification for Non-Corporate Entities Other Than Individuals

APPENDIX C: Existing Renewable Energy Resources

APPENDIX D: Special Provisions for Aggregators of Customer-sited or Off-grid Generation Facilities

X APPENDIX E: Special Provisions for a Generation Unit Located in a Control Area Adjacent to NEPOOL

APPENDIX F: Fuel Source Plan for Eligible Biomass Fuels

1.4 Primary Contact Person name and title: Stephanie Hamilton

1.5 Primary Contact Person address and contact information:

Address: Legal Affairs and Policy Analyst
40 Washington St
Westborough, MA 01581
Phone: 508-836-9500 Fax: 508-836-3181
Email: Stephanie.Hamilton@csgpr.com

1.6 Backup Contact Person name and title: Deborah Razza

1.7 Backup Contact Person address and contact information:

Address: Operations Coordinator
40 Washington St
Westborough, MA 01581
Phone: 508-836-9500 Fax: 508-836-3181
Email: Deborah.Razza@csgpr.com

¹ Please note that all Applicants are required to complete the Renewable Energy Resources Eligibility Standard Application Form and all of the Appendices that apply to the Generation Unit or Owner or Operator that is the subject of this Form. Please omit Appendices that do not apply.

1.8 Name and Title of Authorized Representative (*i.e.*, the individual responsible for certifying the accuracy of all information contained in this form and associated appendices, and whose signature will appear on the application):

Stephen Molodetz, Vice President, Marketing

Appendix A or B (as appropriate) completed and attached? Yes No N/A

1.9 Authorized Representative address and contact information:

Address: _____
HQ Energy Services US
_____ 36 Mountain View Drive
_____ West Hartford, CT 06117
Phone: _____ 860-232-2818 _____ Fax: _____ 860-232-2870
Email: _____ Smolodetz@comcast.net _____

1.10 Owner name and title: _____
Mount Copper Wind Power Energy Inc.

1.11 Owner address and contact information:

Address: _____
Erich Ossowski
_____ 70 University Avenue Suite 1450
_____ Toronto, Ontario M5J 2M4
Phone: _____ 416-933-8289 _____ Fax: _____
Email: _____ Erich.Ossowski@creststreet.com _____

1.12 Owner business organization type (check one):

- Individual
- Partnership
- Corporation
- Other: _____

1.13 Operator name and title: _____
Mount Copper Wind Power energy, Inc.

1.14 Operator address and contact information:

Address: _____
Steven Grennan
_____ 115 Du Ruissen
_____ Murdockville Quebec G0E 1W0
Phone: _____ 418-784-3726 _____ Fax: _____ 418-784-3727
Email: _____ StevenGrennan@globetrotter.net _____

1.15 Operator business organization type (check one):

- Individual
- Partnership
- Corporation
- Other: _____

SECTION II: Generation Unit Information, Fuels, Energy Resources and Technologies

- 2.1 ISO-NE Generation Unit Asset Identification Number or NEPOOL GIS Identification Number (either or both as applicable): NA
- 2.2 Generation Unit Nameplate Capacity: 54 MW
- 2.3 Maximum Demonstrated Capacity: MW
- 2.4 Please indicate which of the following Eligible Renewable Energy Resources are used by the Generation Unit: (Check ALL that apply) – *per RES Regulations Section 5.0*
- Direct solar radiation
 - The wind
 - Movement of or the latent heat of the ocean
 - The heat of the earth
 - Small hydro facilities
 - Biomass facilities using Eligible Biomass Fuels and maintaining compliance with all aspects of current air permits; Eligible Biomass Fuels may be co-fired with fossil fuels, provided that only the renewable energy fraction of production from multi-fuel facilities shall be considered eligible.
 - Biomass facilities using unlisted biomass fuel
 - Biomass facilities, multi-fueled or using fossil fuel co-firing
 - Fuel cells using a renewable resource referenced in this section
- 2.5 If the box checked in Section 2.4 above is “Small hydro facilities”, please certify that the facility’s aggregate capacity does not exceed 30 MW. – *per RES Regulations Section 3.31*
- ← check this box to certify that the above statement is true
 - N/A or other (please explain) _____
- 2.6 If the box checked in Section 2.4 above is “Small hydro facilities”, please certify that the facility does not involve any new impoundment or diversion of water with an average salinity of twenty (20) parts per thousand or less. – *per RES Regulations Section 3.31*
- ← check this box to certify that the above statement is true
 - N/A or other (please explain) _____
- 2.7 If you checked one of the Biomass facilities boxes in Section 2.1 above, please respond to the following:
- A. Please specify the fuel or fuels used or to be used in the Unit: _____
- B. Please complete and attach Appendix F, Eligible Biomass Fuel Source Plan.
Appendix F completed and attached? Yes No N/A

2.8 Has the Generation Unit been certified as a Renewable Energy Resource for eligibility in another state's renewable portfolio standard?

Yes No If yes, please attach a copy of that state's certifying order.

Copy of State's certifying order attached? Yes No N/A

SECTION III: Commercial Operation Date

Please provide documentation to support all claims and responses to the following questions:

3.1 Date Generation Unit first entered Commercial Operation: 06 / 03 /2004 at the site.

3.2 Is there an Existing Renewable Energy Resource located at the site of Generation Unit?

Yes
 No

3.3 If the date entered in response to question 3.1 is earlier than December 31, 1997 or if you checked "Yes" in response to question 3.2 above, please complete Appendix C.

Appendix C completed and attached? Yes No N/A

3.4 Was all or any part of the Generation Unit used on or before December 31, 1997 to generate electricity at any other site?

Yes
 No

3.5 If you checked "Yes" to question 3.4 above, please specify the power production equipment used and the address where such power production equipment produced electricity (attach more detail if the space provided is not sufficient):

SECTION IV: Metering

4.1 Please indicate how the Generation Unit's electrical energy output is verified (check all that apply):

- ISO-NE Market Settlement System
 Self-reported to the NEPOOL GIS Administrator
 Other (please specify below and see Appendix D: Eligibility for Aggregations):

Appendix D completed and attached? Yes No N/A

SECTION V: Location

5.1 Please check one of the following that apply to the Generation Unit:

- Grid Connected Generation
- Off-Grid Generation (not connected to a utility transmission or distribution system)
- Customer Sited Generation (interconnected on the end-use customer side of the retail electricity meter in such a manner that it displaces all or part of the metered consumption of the end-use customer)

5.2 Generation Unit address: 115 Du Ruisseau
Murdochville, Quebec G0E 1W0

5.3 Please provide the Generation Unit's geographic location information:

- A. Universal Transverse Mercator Coordinates: _____
- B. Longitude/Latitude: -65.49 / 48.96

5.4 The Generation Unit located: (please check the appropriate box)

- In the NEPOOL control area
- In a control area adjacent to the NEPOOL control area
- In a control area other than NEPOOL which is not adjacent to the NEPOOL control area ← *If you checked this box, then the generator does not qualify for the RI RES – therefore, please do not complete/submit this form.*

5.5 If you checked “In a control area adjacent to the NEPOOL control area” in Section 5.4 above, please complete Appendix E.

Appendix E completed and attached? Yes No N/A

SECTION VI: Certification

6.1 Please attach documentation, using one of the applicable forms below, demonstrating the authority of the Authorized Representative indicated in Section 1.8 to certify and submit this Application.

Corporations

If the Owner or Operator is a corporation, the Authorized Representative shall provide **either**:

- (a) Evidence of a board of directors vote granting authority to the Authorized Representative to execute the Renewable Energy Resources Eligibility Form, **or**
- (b) A certification from the Corporate Officer or Secretary of the Corporation that the Authorized Representative is authorized to execute the Renewable Energy Resources Eligibility Form or is otherwise authorized to legally bind the corporation in like matters.

Evidence of Board Vote provided? Yes No N/A

Corporate Certification provided? Yes No N/A

Individuals

If the Owner or Operator is an individual, that individual shall complete and attach APPENDIX A, or a similar form of certification from the Owner or Operator, duly notarized, that certifies that the Authorized Representative has authority to execute the Renewable Energy Resources Eligibility Form.

Appendix A completed and attached? Yes No N/A

Non-Corporate Entities

(Proprietorships, Partnerships, Cooperatives, etc.) If the Owner or Operator is not an individual or a corporation, it shall complete and attach APPENDIX B or execute a resolution indicating that the Authorized Representative named in Section 1.8 has authority to execute the Renewable Energy Resources Eligibility Form or to otherwise legally bind the non-corporate entity in like matters.

Appendix B completed and attached? Yes No N/A

6.2 Authorized Representative Certification and Signature:

I hereby certify, under pains and penalties of perjury, that I have personally examined and am familiar with the information submitted herein and based upon my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties, both civil and criminal, for submitting false information, including possible fines and punishment. My signature below certifies all information submitted on this Renewable Energy Resources Eligibility Form. The Renewable Energy Resources Eligibility Form includes the Standard Application Form and all required Appendices and attachments. I acknowledge that the Generation Unit is obligated to and will notify the Commission promptly in the event of a change in a generator's eligibility status (including, without limitation, the status of the air permits) and that when and if, in the Commission's opinion, after due consideration, there is a material change in the characteristics of a Generation Unit or its fuel stream that could alter its eligibility, such Generation Unit must be re-certified in accordance with Section 9.0 of the RES Regulations. I further acknowledge that the Generation Unit is obligated to and will file such quarterly or other reports as required by the Regulations and the Commission in its certification order. I understand that the Generation Unit will be immediately de-certified if it fails to file such reports.

Signature of Authorized Representative:

SIGNATURE:

Steph M. (STEPHEN MOLODTE)

DATE:

9-27-07

VICE PRESIDENT, MARKETING

(Title)

APPENDIX E**(Required of all Applicants Located in a Control Area Adjacent to NEPOOL)****STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION****RENEWABLE ENERGY RESOURCES ELIGIBILITY FORM****Pursuant to the Renewable Energy Act
Section 39-26-1 et. seq. of the General Laws of Rhode Island**

Please complete the following and attach documentation, as necessary to support all responses:

E.1 Please indicate in which Control Area adjacent to NEPOOL the Generation Unit is located:

- New York
 Hydro Quebec
 Maritimes (including Northern Maine Independent System Administrator)

E.2 Applicant must provide to the Commission by July 1st of each year assurances that the Generation Unit's New Renewable Energy Resources used for compliance with the Rhode Island's Renewable Energy Act during the previous Compliance Year have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Rhode Island. Such assurances may consist of a report from a neighboring Generation Attribute accounting system or an affidavit from the Generation Unit.

← please check this box to acknowledge this requirement

N/A or other (please explain) _____

E.3 Applicant must acknowledge and provide evidence to support that, in accordance with Section 5.1.(ii) of the RES Regulations, the Generation Attributes associated with the Generation Unit shall be applied to the Rhode Island Renewable Energy Standard only to the extent of the energy produced by the Generation Unit that is or will be actually delivered into NEPOOL for consumption by New England customers. Verification of the delivery of such energy from the Generation Unit into NEPOOL will be performed in accordance with subparagraphs (a), (b) and (c) of RES Regulations Section 5.1.(ii).

← please check this box to acknowledge this requirement

N/A or other (please explain) _____

Certification of Authorized Representative

Rhode Island Public Utility Commission
89 Jefferson Blvd
Warwick, RI 02888

September 20, 2007

I, Erich Ossowski, as President of Mount Copper Wind Power Energy Inc., certify that the following statements are made in good faith and are factually accurate to the best of my knowledge: that Mount Copper Wind Power Energy Inc., will not, and has not sold, retired, claimed or represented as part of electrical output or sales from Mount Copper wind farm, or used the Renewable Generation Attributes from the Mount Copper wind farm to satisfy any obligations in any jurisdiction. Mount Copper Wind Power Energy Inc. understands and acknowledges that HQ Energy Services U.S. Inc. (originally Hydro-Québec) is the legal owner of all Renewable Generation Attributes produced by the Mount Copper wind farm.

In addition, I am authorizing Hydro-Québec to execute the Rhode Island Renewable Energy Resources Eligibility Form for the Mount Copper wind farm. I certify that I have been informed by Hydro-Québec that it has named Stephen Molodetz of HQ Energy Services U.S. Inc. as the Authorized Representative named in Section 1.8 of the Rhode Island Renewable Energy Resources Eligibility Form.

Signature:

Name:

Title:

Date:



Erich Ossowski

President

September 20, 2007



COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS
AND BUSINESS REGULATION
DIVISION OF ENERGY RESOURCES
100 CAMBRIDGE ST., SUITE 1020
BOSTON, MA 02114
Internet: www.Mass.Gov/DOER
Email: Energy@State.MA.US

Deval L. Patrick
Governor

Timothy P. Murray
Lieutenant Governor

Daniel C. Crane
Director, Office of Consumer Affairs
and Business Regulation

David L. O'Connor
Commissioner

TELEPHONE
617-727-4732

FACSIMILE
617-727-0030
617-727-0093

April 9, 2007

Mr. Stephen Molodetz
Vice President, Marketing
HQ Energy Services US
36 Mountain View Drive
West Hartford, CT 06117

**RE: RPS Eligibility Decision
Mount Copper [WD-1070-07]
54 MW in Murdochville, QC, Canada**

Dear Mr. Molodetz,

On behalf of the Division of Energy Resources (the Division), I am pleased to inform you that your Application for Statement of Qualification pursuant to the Massachusetts Renewable Energy Portfolio Standard (RPS) Regulations, 225 CMR 14.00, is hereby approved. The Division finds that the Generation Unit meets the requirements for eligibility as a New Renewable Generation Unit pursuant to 225 CMR 14.05.

Qualification of this Generation Unit is, however, subject to certain conditions that are detailed in the enclosed Statement of Qualification. The first condition matches the effectiveness of the Statement of Qualification with the duration of the power purchase agreement between Hydro-Québec and the owner of the wind farm. The other conditions are based on provisions of the RPS Regulations at 225 CMR 14.05(5) that pertain to any Generation Unit that is located outside of the ISO New England Control Area.

MA RPS Statement of Qualification Letter
4/9/07, Page 2 of 2

Stephen Molodetz
HQ Energy Services US
Mount Copper

In addition, please note that, when a NEPOOL GIS Import identification number is assigned to the Unit, you must inform the Division's RPS Program Manager of that number.

Each Massachusetts New Renewable Generation Unit is also assigned a unique Massachusetts RPS Identification Number (MA RPS ID#). The MA RPS ID # stated on the Statement of Qualification must be included in all correspondence with the Division. Mount Copper's MA RPS ID# is: **WD-1070-07**.

The Division wishes to remind you of the notification requirements for changes in eligibility status contained in 225 CMR 14.06(3). The Owner or Operator of the Generation Unit shall submit notification of such changes to the Division no later than five days following the end of the month during which such changes were implemented. Also please inform the Division of any changes in capacity, contact information, and identity of the Owner or Operator.

Finally, the Division wishes to remind you to be cognizant of the Operating Rules and the reporting requirements of the NEPOOL GIS, which may be amended from time to time, and compliance with which may affect the RPS qualification of your Generation Unit's GIS certificates.

If you have any questions or concerns about the Statement of Qualification or any aspect of the RPS program, please contact Howard Bernstein, RPS Program Manager, at the Division's address, or (617) 727-4732, ext. 40155, or howard.bernstein@state.ma.us.

Sincerely,



Robert Sydney
General Counsel

Encl: Statement of Qualification

COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION
DIVISION OF ENERGY RESOURCES

Statement of Qualification

Pursuant to the Renewable Energy Portfolio Standard
225 CMR 14.00

This Statement of Qualification, provided by the Massachusetts Division of Energy Resources (the Division), signifies that the Generation Unit identified below meets the requirements for eligibility as a New Renewable Generation Unit, pursuant to the Renewable Energy Portfolio Standard 225 CMR 14.05, as of the approval date of the Application for Statement of Qualification, this 9th day of April 2007.

Generation Unit Name, Location, and Capacity:

Mount Copper
Murdochville, QC, Canada
54 MW

Authorized Representative's Name and Address:

Stephen Molodetz
Vice President, Marketing
HQ Energy Services US
36 Mountain View Drive
West Hartford, CT 06117

Qualification of this Generation Unit is subject to the following provisions:

1. The Division recognizes Stephen Molodetz of HQ Energy Services US as the authorized agent of the Generation Unit Owner, Mount Copper Wind Energy Inc., for the purposes of this Statement of Qualification. This acknowledgement shall remain in effect for the duration of the Contract for the Purchase of Electricity between Hydro-Québec and Mount Copper Wind Power Energy, Inc. dated December 12, 2002. This Statement of Qualification shall terminate upon the termination of said Contract.
2. The Generation Unit Owner, Operator, or authorized agent shall provide to the Division by July 1st of each year a certification that the Generation Unit's New Renewable Generation Attributes used for compliance with the Massachusetts Renewable Energy Portfolio Standard during the previous Compliance Year have not otherwise been, nor will be, sold, retired, claimed or represented as part of electricity output or sales, or used to satisfy obligations in jurisdictions other than Massachusetts.
3. The portion of the total electrical energy output that qualifies as New Renewable Generation in a given time period shall meet all requirements of Rule 2.7 (c) of the NEPOOL GIS Operating Rules, or any successor rule.

Massachusetts Division of Energy Resources
Renewable Energy Portfolio Standard

Statement of Qualification
Mount Copper
4/9/07

4. The Generation Unit Owner, Operator, or authorized agent shall provide documentation, satisfactory to the Division, that:
- (a) the imported electrical energy was settled in the ISO New England Market Settlement System;
 - (b) the Generation Unit produced, during each hour of the applicable month, the amount of MWhs claimed, as verified by the NEPOOL-GIS administrator;
 - (c) the imported electrical energy received a North American Electricity Reliability Council Tag confirming transmission from the originating Control Area to the ISO New England Control Area; and
 - (d) the New Renewable Generation Attributes have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Massachusetts.

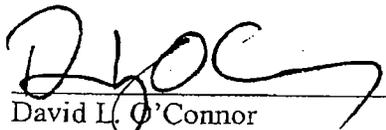
This Unit's NEPOOL-GIS Identification Number is:

IMP-32613

This New Renewable Generation Unit is assigned a unique Massachusetts RPS Identification Number, listed below. Please include MA RPS ID #s on all correspondence with DOER.

MA RPS ID #: WD-1070-07

Pursuant to 225 CMR 14.06, the Owner, Operator, or authorized agent of the New Renewable Generation Unit is responsible for notifying the Division of any changes in the characteristics of the Generation Unit that could affect its eligibility status. The Owner, Operator, or authorized agent of the Generation Unit is also responsible for notifying the Division of any changes in the Unit's ownership, generation capacity, or contact information. The Division may suspend or revoke this Statement of Qualification if the Owner, Operator, or authorized agent of a New Renewable Generation Unit fails to comply with 225 CMR 14.00, including the provisions of this Statement of Qualification.



David L. O'Connor
Commissioner
Division of Energy Resources

Date: _____

4/9/07



COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF
ENERGY AND ENVIRONMENTAL AFFAIRS
DIVISION OF ENERGY RESOURCES
100 CAMBRIDGE ST., SUITE 1020
BOSTON, MA 02114
Internet: www.Mass.Gov/DOER
Email: Energy@State.MA.US

Deval L. Patrick
Governor

Timothy P. Murray
Lieutenant Governor

Ian A. Bowles
Secretary, Executive Office of Energy
and Environmental Affairs

David L. O'Connor
Commissioner

TELEPHONE
617-727-4732

FACSIMILE
617-727-0030
617-727-0093

June 12, 2007

Glenn J. Berger
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Ave., N.W.
Washington, D.C. 20005

Re: Hydro Quebec Energy Services (U.S.) Inc.

Dear Mr. Berger:

This agency has been asked by Hydro Quebec Energy Services (U.S.) Inc. (HQUS) to determine whether Renewable Energy Certificates (RECs) produced by two wind facilities located in Canada are eligible to be sold in the Massachusetts Renewable Portfolio Standard (RPS) REC market.

Background:

The Mount Copper Wind facility and Mt. Miller Wind facility are located in Murdochville, Quebec, Canada, and have an aggregate output of 108 MW. DOER qualified both facilities as MA RPS eligible in April 2007. No parties are disputing the issuance of Statements of Qualification to these facilities.

HQUS is a Delaware corporation engaged in the energy marketing business and conducts transactions in New England. HQUS seeks to sell the RECs from the Canadian wind facilities into the MA REC market. The NEPOOL Generation Information System (NEPOOL GIS), which mints the RECs, is also awaiting DOER's decision as to whether the documentation provided by HQUS satisfies the requirements of the RPS regulation.

Specifically at issue is whether the parties to the sale of electrical energy associated with these RECs complied with the applicable section of the RPS regulation dealing with imports from out of the ISO-NE region. That section of the regulations, 225 CMR 14.05 (5), provides that:

(a) An External Unit Contract shall be executed between the Generation Unit Owner or Operator and an electrical energy purchaser located in the ISO-NE Control Area for delivery of the Unit's electrical energy to the ISO-NE Control Area. The External Unit Contract shall include associated transmission rights for delivery of the Unit's electrical energy over the ties from an adjacent control area to the ISO-NE Control Area;

(b) The Generation Unit Owner or Operator shall provide documentation, satisfactory to the Division, that: 1. the electrical energy delivered pursuant to the External Unit Contract was settled in the ISO-NE Market Settlement System; 2. the Generation Unit produced, during the applicable month, the amount of MWhs claimed, as verified by the NEPOOL GIS administrator; 3. the electrical energy delivered under the External Unit Contract received a North American Electricity Reliability Council Tag confirming transmission from the originating Control Area to the ISO-NE Control Area; and 4. the New Renewable Generation Attributes have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Massachusetts.

Application of "External Unit Contract" Provision to HQUS Transaction:

The term, "External Unit Contract" was specifically adopted in the RPS regulation to mirror the language of the New England Power Pool (NEPOOL) Market Rules and Procedures Section 12.2.1 (a) and corresponding NEPOOL GIS Operating Rule 2.7 (c) governing the importation of power from outside of the ISO-NE control area. This was done because the MA-RPS program relies on the NEPOOL GIS system to track compliance with the RPS regulation, and the RPS regulation is intended to work compatibly with that system. When the RPS regulation was promulgated in 2002, An "External Unit Contract" was defined in the RPS regulation (225 CMR 14.02) as "An External Transaction Unit Contract for Energy 1 or Energy 2 as defined in the New England Power Pool (NEPOOL) Market Rules and Procedures Section 12.2.1 (a)."

We note that the NEPOOL Market Rules and Procedures referenced above have been superseded by the ISO-NE Market Rule 1. In this process, section 12.2.1 (a) of the NEPOOL Market Rules and Procedures has been eliminated, and the term "Unit Contract" in reference to generation located outside of the ISO-NE control area is no longer applicable. A successor term, "External Transaction," has been adopted and is defined and used in ISO-NE Market Rule 1 (Standard Market Design), section III.1.10.5 (External Resources) and section III.1.10.7 (External Transaction). Because NEPOOL Rule 12.2.1 has been superseded, DOER applies the term "External Transaction" in place of "External Unit Contract" for purposes of interpreting its regulation, and we adopt this definition of "External Transaction" for use in 225 CMR 14.05(5).

An "External Transaction" is defined in the ISO Market Rule as "a purchase by a Market Participant of energy external to the New England Control Area or a sale by a Market Participant of energy external to the New England Control Area in the Day-Ahead Energy Market and/or Real-Time Energy Market or a through transaction scheduled by a Non-Participant in the Real-Time Energy Market."

This definition does not reference a "contract," although an underlying contract could be inferred from the nature of the transaction. However, the language gives no indication that there must be one individual contract document evidencing the transaction or that it be strictly a bilateral transaction between the source (the wind farm) and the sink (HQUS in ISO-NE region), and we do not make that inference for purposes of interpreting 225 CMR 14.05 (5).

Even if DOER were to apply the now-superseded term "External Unit Contract" to its assessment of the HQUS transaction, we would find that there is no reason to require that there be a single contract to memorialize the entire transaction from source to sink. Such an interpretation establishes a restriction that runs counter to the purpose and the reasonable interpretation of the 225 CMR 14.05 (5), which is to assure that there be documentation of an unbroken chain of title for delivery of the electrical energy from the generation unit to the ISO-NE control area.

We therefore turn to the documentation of the chain of title for power and attributes and associated transmission rights. Specifically, we have been presented with the following:

Power and RECs

- 1) Two contracts, one for each wind farm, between Hydro Quebec and 3Ci Inc., each dated Dec. 12, 2002. 3Ci is the original owner of the wind farms located at Mount Copper and Mount Miller. The contract is fully assignable. They provide for the sale of energy and attributes (including those which would be represented by MA-RECs) from 3Ci to HQ. The term of contract is 21 years. The delivery point is at the connection into the HQ transmission system in Canada.
- 2) A "Master Agreement" between HQ and HQUS, executed on June 17, 1998, with a termination date of April 29, 2001. The contract calls for the sale from time to time between HQ to HQUS of "energy products and services." The Master Agreement is implemented through a series of transactions, each memorialized in written form. Environmental attributes are not mentioned, and do not appear to be an anticipated commodity under this contract.
- 3) A First Amendment to the Transaction Agreement executed Feb 12, 2001, which extends the term of the Master Agreement by providing it "shall continue in full force and effect until terminated."

- 4) Assignment to HQUS of the Purchase Agreement (dated 12/12/02) between HQ and 3Ci for all "... existing or future rights" to the environmental attributes produced by the Mount Copper generation unit; contract is effective Oct 1, 2006. No Date of execution, but based on the document ID #, it appears to have been executed on or after January 31, 2007.
- 5) Assignment to HQUS of the Purchase Agreement (dated 12/12/02) between HQ and 3Ci for all "... existing or future rights" to the environmental attributes produced by the Mount Miller generation unit; contract is effective Oct 1, 2006. No Date of execution.
- 6) Assignment of the Purchase Agreement (dated 12/12/02) from 3Ci to Mt Copper, Inc., executed 3/17/03.
- 7) Assignment of the Purchase Agreement (dated 12/12/02) from 3Ci to Mt Miller Wind Power Energy, Inc., executed 1/10/03.
- 8) Assignment of the Purchase Agreement (dated 12/12/02) from Mt Miller Wind Power Energy, Inc. to Mt Miller Wind Energy L.P., executed 7/30/04.

Transmission and Scheduling

HQUS has provided the following description of the scheduling and transmission of power from the Canadian wind facilities to the ISO-NE border. This description is supported by additional documentation, including screen shots taken from the HQ Transmission and ISO-NE scheduling and tracking systems:

- 9) The points of delivery for the energy and "green attributes" purchased by Hydro-Québec from the Mount Miller and Mount Copper wind farms are defined in interconnection agreements entered into between the generators and the transmission owner HQ TransÉnergie (HQTE). They are as follows: For Mount Miller, the point of delivery is defined in the interconnection agreement as the high-side of the Mount Miller sub-station; For Mount Copper, the point of delivery is defined in the interconnection agreement as the low-side of the HQTE sub-station. HQUS informs us that there is a small section of transmission privately owned by a third-party, which runs between the Mount Copper sub-station and the associated HQTE sub-station. Mount Copper has acquired the rights to deliver energy on that private line and delivers its energy to HQ at the point where that private line meets the associated HQTE sub-station.
- 10) HQ purchases Point-to-Point transmission service on HQTE's OASIS system, and schedules the flow of energy from the "Hydro-Québec System" to the "Hydro-Québec/New England border."

- 11) Where the energy is to be delivered on the Phase I/II transmission system, HQUS purchases transmission service from one or more Interconnection Rights Holders (New England utilities who own the rights to the Phase I/II HVDC transmission line in New England).
- 12) HQUS uses the NERC electronic tagging system to generate NERC tags for each energy transaction that it will enter into the ISO-NE electronic energy scheduling system for delivery on the following day. The purpose of the tag is to identify where the energy is produced (“source”), where the energy will be sold/consumed (“sink”), the transmission path (and associated OASIS transmission reservation numbers) the energy will take from source to sink, and the hourly MW profile of the transaction. Each tag is identified by a unique alpha-numeric code.
- 13) HQUS uses the ISO-NE electronic energy scheduling system (“EES”) to enter energy transactions for delivery into New England on the following day. The purpose of the system is to offer hourly energy quantities to the New England Independent System Operator (ISO-NE). Each energy transaction submitted into the system includes information such as the hourly MW profile of the transaction, the transmission path (and associated OASIS reservation numbers) the energy will take from source to sink, the associated NERC TAG number, and, where appropriate, a unique code that identifies that the energy is generated by a specific generator (GIS Code).
- 14) NEPOOL GIS is a web-based system that records the production details not only of power generated with renewable sources, but also of all types of electricity generation and imports in the NEPOOL control area. The NEPOOL GIS links the unique code associated with each generator with information about when, where, and who produced the power, the type of fuel source used, the amount and type of emissions released, and the generator’s renewable portfolio standards eligibility for each state.
- 15) When HQUS uses the EES to schedule system energy into New England and includes the unique codes for Mount Miller or Mount Copper, the GIS recognizes that the MWhs contained in that schedule may be eligible for MA RPS RECS.
- 16) On a quarterly basis, HQUS provides hour-by-hour information to the GIS administrator. This information shows: 1) every hour-by-hour energy schedule linked to Mount Miller and Mount Copper for the previous quarter (which the GIS administrator already has); 2) the hour-by-hour actual MWh generation for both Mount Miller and Mount Copper; 3) an hour-by-hour comparison of the MWh schedules and MWh generation.
- 17) For each hour, the REC quantity that HQUS is awarded is the lesser of the hourly schedule or the hourly generation. This “hourly true-up,” which occurs each

quarter, prevents importers from generating a quantity of RECS, in any hour that exceeds the actual output of the generator for that hour. It also makes it unimportant if the MWh level of the energy schedule associated with Mount Miller or Mount Copper exceeds the MWh level of the Mount Miller and Mount Copper wind facilities' generation.

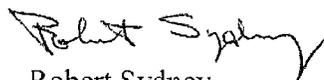
We note that the NERC tags referenced in paragraph #12 and #13 above may contain a MWh amount in excess of the wind capacity at Mount Copper and Mount Miller in any particular hour. However, 225 CMR 14.05 (5) (b) (3) does not require numerical parity between the generation produced by the RPS qualified facilities and the total MWhs referenced in the NERC tags. The hourly matching of generation from the wind farms and imports of energy are provided by HQUS to the NEPOOL GIS, and the NEPOOL GIS administrator verifies for DOER that the applicable generation units produced, during the applicable month, the amount of MWhs claimed through verification with the NEPOOL GIS system pursuant to 225 CMR 14.05 (5) (b) (3).

Conclusion:

Collectively, these documents demonstrate to DOER's satisfaction that HQUS holds contracts providing it with the right to purchase electrical energy generated by the two wind facilities. Further, HQUS holds contracts providing it with the right of ownership to all environmental attributes produced by those two wind facilities. The electrical energy purchased by HQUS is documented electronically or in writing, and transmission reservation within Canada to the ISO-NE interconnection is documented through HQTE's OASIS system and by ISO-NE's ESS with associated NERC tags. The energy purchased by HQUS originates at the wind facilities, is then blended with other HQ system power and transmitted in that fashion to the ISO-NE border. That portion of the system power attributable to Mount Miller and Mount Copper generation is determined and documented through the transmission and scheduling protocols discussed above.

DOER also finds that HQUS has demonstrated that it can provide the necessary documentation and assurances required by 225 CMR 14.05 (5) (b). Therefore, we hold that HQUS meets the requirements of 225 CMR 14.05 (5) with respect to the importation of power from the Mt. Copper and Mt. Miller Wind facilities under current contractual agreements and scheduling and transmission protocols.

Sincerely,



Robert Sydney
General Counsel

Cc: NEPOOL GIS Administrator