

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: APPLICATION FOR STANDARD CERTIFICATION DOCKET NO. 4394
AS ELIGIBLE RENEWABLE ENERGY RESOURCE
FILED BY VERSO BUCKSPORT, LLC – NEW GENERATION

ORDER

WHEREAS, Effective January 1, 2006, the Rhode Island Public Utilities Commission ("PUC") adopted Rules and Regulations Governing the Implementation of a Renewable Energy Standard (RES Regulations) including requirements for applicants seeking certification as an Eligible Renewable Energy Resource under the RES Regulations¹ pursuant to the Renewable Energy Act, Section 39-26-1 et. seq. of the General Laws of Rhode Island; and

WHEREAS, On February 28, 2013, Verso Bucksport, LLC ("Company", Authorized Representative: Glenn Poole, Manufacturing Support Manager-Energy. Verso Paper, 2 River Road, P.O. Box 1200, Bucksport, Maine 04416. Phone: (207) 469-1230 Fax: (207) 902-1205 Email: Glenn.Poole@versopaper.com) filed with the PUC an application seeking certification for its Verso Bucksport LLC - TG5 Generation Unit, a 24 MW eligible biomass energy generation unit located in Bucksport, Maine, as an eligible New Renewable Energy Resource under the State of Rhode Island RES Regulations; and

WHEREAS, The Company's application included a Request for Protection of Privileged Information seeking confidential treatment of the Company's Historical

¹ State of Rhode Island and Providence Plantations Public Utilities Commission Rules and Regulations Governing the Implementation of a Renewable Energy Standard – Date of Public Notice: September 23, 2005, Date of Public Hearing: October 12, 2005, Effective Date: January 1, 2006.

Generation Baseline calculation on the basis that such information is competitively sensitive and release of the information for which confidential treatment is sought could be used by competitors to gain a competitive edge over Verso Bucksport LLC; and

WHEREAS, Pursuant to Section 6.0 and other relevant Sections of the RES Regulations, a thirty (30) day period for public comment was provided, during which time no such comment was received; and

WHEREAS, On May 21, July 16, August 8 and September 16, 2013, supplemental and clarifying information, including confidential information, was provided to PUC staff and their application review consultant in response to the application review consultant's April 23, July 25 and September 4, 2013 request for said information as well as a verbal request given during a meeting held on June 11, 2013; and

WHEREAS, Said supplemental and clarifying information included: a very thorough and confidential description of the inner workings of the facility, their metering capabilities, data on generation and fuel use during the post TG5 installation, and finally sample reports for verification that they would meet reporting requirements; and

WHEREAS, Through review of said supplemental information and discussions between the PUC's application review consultant and the applicant, two procedural tests and additional information were developed and specified for submittal to the PUC as part of the facility's ongoing (quarterly) fuel eligibility reporting requirements including:

- Quarterly reports that follow a revised spreadsheet format specific to the Verso Bucksport facility (based on the applicant's 9/16/2013, "CONFIDENTIAL Proposed Fuel Eligibility Report rev2.xlsx" spreadsheet)

- Procedural tests to be applied for verifying the eligible incremental biomass electricity generation for the facility incorporated within the revised spreadsheet format and summarized below:
 - Procedural Test #1: Did Boiler #8 produce sufficient eligible steam (from renewable biomass fuel) to generate all of the electricity generated by TG5?
 - Evaluated on a monthly basis.
 - If this test is not met in a given period, no RECs will be obtained for that period.
 - Procedural Test #2: did TG2 and TG3 generate sufficient renewable electricity to meet the historical baseline?
 - Calculated based on renewable steam generation from Boiler #8 greater than the amount needed for TG5 to satisfy Test #1.
 - Evaluated on a quarterly basis, with year-end reconciliation as needed.
 - If test is not met, than the eligible RECs from TG5 will be adjusted to make up the difference between eligible generation from TG2 and TG3 and the historical baseline.
- Detailed hourly log data and calculations spreadsheet (based on the applicant's 9/16/2013 "CONFIDENTIAL Bucksport P and S Flows 01 2013 RECs G5 RI-PUC.xlsx" spreadsheet) should be submitted each quarter, as supporting documentation for the quarterly reports.

- The annual third party independent audit reports prepared for the Maine PUC should also be provided as additional supporting documentation when available (annually).

WHEREAS, After examination, the PUC is of the opinion that the application, including said supplemental information and additional reporting requirements is proper, reasonable and in compliance with the RES Regulations, and hereby grants the Company certification as an eligible renewable energy resource pursuant to the Renewable Energy Act, Section 39-26-1 et. seq. of the General Laws of Rhode Island; and

WHEREAS, The PUC's determination in this docket is based on the information submitted by the Company and the PUC may reverse its ruling or revoke the Company's certification if any material information provided by the Company proves to be false or misleading.

Accordingly, it is

(21213) ORDERED:

1) The Verso Bucksport LLC-TG5 Generation Unit meets the requirements for eligibility as a New Eligible Biomass Renewable Energy Resource with its 24 MW, Grid-Connected Generation Unit having a Commercial Operation Date of November 15, 2012 and located within the NEPOOL Control Area in Bucksport, Maine.

2) The Generation Unit's NEPOOL-GIS Identification Number is MSS40342.

3) The Company's Generation Unit as identified above is hereby assigned unique certification number RI-4394-N13.

4) The facility's Renewable Energy Certificates ("RECs") become Rhode Island-eligible effective as of the date of this Order. Only RECs associated with the production of eligible energy that are minted on or after the Effective Date are eligible for the RES.

5) Although the PUC will rely upon the NEPOOL GIS for verification of production of energy from the Company's Generation Unit certified as eligible in this Order, the Company will provide information and access as necessary to the PUC, or persons acting at its behest, to conduct audits or site visits to assist in verification of continued eligibility for and compliance with RI RES Certification at any time at the PUC's discretion. Such continuing verification shall include a quarterly affidavit documenting the use of eligible fuels.

6) Said quarterly affidavit shall include the following information:

- Quarterly reports that follow a revised spreadsheet format specific to the Verso Bucksport facility (based on the applicant's 9/16/2013, "CONFIDENTIAL Proposed Fuel Eligibility Report rev2.xlsx" spreadsheet)
- Procedural tests to be applied for verifying the eligible incremental biomass electricity generation for the facility incorporated within the revised spreadsheet format and summarized below:
 - Procedural Test #1: Did Boiler #8 produce sufficient eligible steam (from renewable biomass fuel) to generate all of the electricity generated by TG5? Evaluated on a monthly basis. If this test is not met in a given period, no RECs will be obtained for that period.

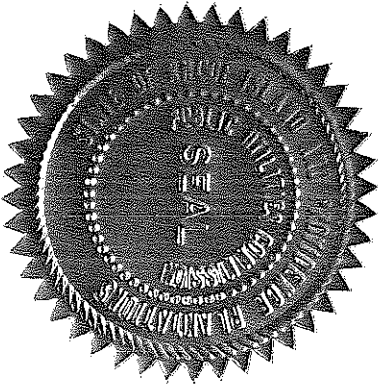
- Procedural Test #2: did TG2 and TG3 generate sufficient renewable electricity to meet the historical baseline? Calculated based on renewable steam generation from Boiler #8 greater than the amount needed for TG5 to satisfy Test #1. Evaluated on a quarterly basis, with year-end reconciliation as needed. If test is not met, than the eligible RECs from TG5 will be adjusted to make up the difference between eligible generation from TG2 and TG3 and the historical baseline.
- Detailed hourly log data and calculations spreadsheet (based on the applicant's 9/16/2013 "CONFIDENTIAL Bucksport P and S Flows 01 2013 RECs G5 RI-PUC.xlsx" spreadsheet) should be submitted each quarter, as supporting documentation for the quarterly reports.
- The annual third party independent audit reports prepared for the Maine PUC should also be provided as additional supporting documentation when available (annually).

7) The Company's Request for Protection of Privileged Information is granted. The PUC finds the information for which confidential treatment is requested would be exempt from public disclosure under Rhode Island General Laws § 38-2-2(4)(B).

8) The Company shall notify the PUC in the event of a change in the facility's eligibility status.

EFFECTIVE AT WARWICK, RHODE ISLAND ON OCTOBER 25, 2013
PURSUANT TO AN OPEN MEETING DECISION. WRITTEN ORDER ISSUED
OCTOBER 25, 2013.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran
Margaret E. Curran, Chairperson

Paul J. Roberti
Paul J. Roberti, Commissioner

Herbert F. DeSimone Jr.
Herbert F. DeSimone, Commissioner

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I.G.L. Section 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days (7) from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.