



MEMORANDUM

To: Luly Massaro

From: Scott Albert

Date: January 27, 2017

Cc: Todd Bianco, Cindy Wilson-Frias

Subject: VPPSA Hydro Facilities – Dockets 4415, 446, 4441, 4458, 4459, and 4460

This memo is written to recommend RI Public Utilities Commission decertification of the following six Vermont Public Power Supply Authority (VPPSA) - owned hydroelectric power facilities:

<u>Unit</u>	<u>GIS #</u>	<u>Docket</u>	<u>Order</u>	<u>RI Certification</u>
Barton Hydro	MSS828	4416	21112	4416-E13
Enosburg Hydro	MSS830	4415	21111	4415-E13
Cadys Falls	MSS1165	4460	21319	4460-E14
Morrisville Plant #2	MSS1166	4459	21318	4459-E14
Wolcott Hydro #1	MSS1167	4441	21275	4441-E13
H.K. Sanders	MSS1168	4458	21317	4458-E14

Background/Chronology:

- By email dated July 11th, 2016, VPPSA informed the RI Public Utilities Commission that the facilities listed in the table above have begun “operating as behind-the-meter generators to reduce loads, while remaining ISO registered units.”
- On August 26th, 2016, the Commission responded to VPPSA email with a number of questions, and noting, per Section 5.3 of Rhode Island’s Rules and Regulations Governing the Implementation of a Renewable Energy Standard (RES Rules) – “NEPOOL GIS Certificates associated with energy production from Off-Grid Generation and Customer-sited [behind-the-meter] Generation facilities certified by the Commission as Eligible Renewable Energy Resources may also be used to demonstrate compliance, ***provided that the facilities are physically located in Rhode Island.***” (emphasis added).
- On August 29th, 2016, VPPS sent an email reply stating they “did not realize that in order for a behind the meter generator to qualify for RI Class II RECs, that the facility needed to be located in RI.” The reply went on to confirm that “[n]one of the facilitiesare located in RI, and therefore, no action is needed...” The email, however, did not provide responses to any of the questions asked by the Commission in its August 26th request.
- On September 8th, 2016, the Commission sent a supplemental email request to VPPSA stating a need for the Commission to remove these facilities from the list of RI-Eligible Renewable Eligible Resources. In this email, the Commission requested:

“To simplify this process, while assuring proper receipt and implementation of this action, please consider having an authorized representative from each of these six facilities submit a short email to the Commission through our RES.Filings@puc.ri.gov email address. The emails should include a statement similar to the following:

“On XX/XX/2016 [note individual dates, if different by facility], the interconnection configuration of our [enter Facility Name, RI PUC Docket Number, RI Certification Number, and Facility Location] changed from Grid- Connected to Behind-the-Meter (Customer-Sited). Given our understanding that such Customer-Sited configurations of facilities that are not physically located in Rhode Island are not eligible for certification as RI-Renewable Energy Resources (RER), this email is written to request removal of these facilities from the list of RI-Eligible RERs. We reserve the right to re-submit these facilities for eligibility in the future, should circumstances change.”

The Commission’s September 8th email concluded with the following statement:

“[i]f no response is received within ten business days from this email request, per RES Rule 6.6, the Commission will take this matter up at its next subsequent Open Meeting, which may result in an Order de-certifying these facilities, without prejudice, due to the configuration changes your representative has recently brought to our attention and confirmed. Again, new applications for these facilities can be re-submitted in the future, should circumstances change.”

- No communication or response has been received from VPPSA since the Commission’s September 8th email.

In Conclusion:

Based on the above chronology and lack of response from VPPSA to the September 8th 2016 email, GDS recommends the Commission move ahead with decertification of these six VPPSA facilities in accordance with Section 5.3 of RI’s RES Rules and Regulations.

This recommendation is based on a review of VPPSA’s initial request and confirmation of configuration changes, from 100% grid-connected to behind-the-meter generation. Given that these six facilities are physically located in Vermont, and now configured as behind-the-meter, the RES Rules require the Commission to determine that none of their generation can continue to be deemed eligible for RI Existing RECs.

The decertification of these facilities should be done without prejudice, due to the configuration changes VPPSA’s representative brought to the Commission’s attention and confirmed in July 2016. With an understanding that, new applications for these facilities can be re-submitted in the future, should circumstances change. The GIS Administrator should also be made aware of these decertifications, which should become effective for all RECs minted on, or after the Commission’s Open Meeting date.