

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: CERSOSIMO LUMBER CO., INC** :  
**RENEWABLE ENERGY RESOURCES (RER)** :  
**CERTIFICATION APPLICATION FOR** : **DOCKET NO. 4853**  
**GENERATION UNIT: CERSOSIMO LUMBER** :

**REPORT AND ORDER**

**I. Overview**

On October 1, 2021, VEPP, Inc (VEPP) filed a request with the Rhode Island Public Utilities Commission (Commission) seeking Commission certification of eighty-six NEPOOL-GIS (GIS)<sup>1</sup> certificates associated with the August and September 2022 output of the Cersosimo Lumber Co., Inc (Cersosimo) facility as eligible to satisfy the compliance requirements of the Renewable Energy Standard (RES) R.I. Gen Laws § 39-26-2. Cersosimo’s request for relief was necessitated by VEPP’s failure to report emissions data to the GIS by the deadline in the GIS operating rules.

**II. Background of Entities Referenced in the Petition**

GIS is the regional generation information system, operated by APX, that issues and tracks all energy generated and consumed in New England, including imports and exports. A Certificate is recorded in GIS for each megawatt-hour of energy generated or imported into the NEPOOL control area. Certificates contain information such as the generator type, the vintage of the generation, emissions, and the energy’s eligibility to satisfy states’ renewable portfolio standard

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<sup>1</sup> NEPOOL is the New England Power Pool. NEPOOL serves as New England’s Independent, FERC-Approved stakeholder advisory group on all matters relating to the competitive wholesale market rules and transmission tariff design. Prior to 2005, NEPOOL was the entity that supported the formation, operation, and administration of the New England regional tariff and market rules. In 2005, that role was assigned to ISO-NE. <https://nepool.com/about-nepool/> (last visited May 18, 2022).

(RPS)<sup>2</sup> requirements. Certificates enable emissions tracking and serves to create a tradable asset for compliance with states' RPS, such as Rhode Island's RES. Certificates are minted quarterly.

Cersosimo is an 800-kilowatt biomass unit located in Brattleboro, Vermont enrolled in Vermont's Standard Offer Program.<sup>3</sup> Subject to its review in the current docket, the Commission issued Order No. 23344 on November 30, 2018, certifying Cersosimo's as a New Renewable Energy Resource.<sup>4</sup> As part of its ongoing compliance, Cersosimo must provide quarterly reports verifying the use of eligible biomass fuels for the generation of electricity.

VEPP is recognized in Order No. 23344 as the registered third-party meter reader for Cersosimo. VEPP is an independent entity that verifies the output of facilities enrolled in Vermont's Standard Offer Program, enters necessary generation and emissions data into GIS for the minting of Certificates, and files ongoing quarterly fuel compliance reports with the Commission. The Certificates, which when properly minted have monetary value in the regional Renewable Energy Certificate market, are then shared pro rata between Vermont utilities whose customers fund the Standard Offer Program.

### **III. Relevant GIS Operating Rules**

Rule 2.3(a) of the GIS Operating Rules requires facilities like Cersosimo to enter, among other information, emissions data no later than five days before the Certificates are minted each

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<sup>2</sup> While Rhode Island uses the terms "Renewable Energy Standard," the more commonly used term around the country is "Renewable Portfolio Standard." While they may differ in design or technical requirements, for purposes of this order, they are deemed equivalent standards.

<sup>3</sup> A description of Vermont's Standard Offer Program which is designed to support renewable energy development can be found here: <https://vermontstandardoffer.com/standard-offer/> (site last visited May 18, 2022).

<sup>4</sup> "New renewable energy resources" means generation units using eligible renewable energy resources and first going into commercial operation after December 31, 1997; or the incremental output of generation units using eligible renewable energy resources that have demonstrably increased generation in excess of ten percent (10%) using eligible renewable energy resources through capital investments made after December 31, 1997; but in no case involve any new impoundment or diversion of water with an average salinity of twenty (20) parts per thousand or less. R.I. Gen. Laws § 39-26-2 (16).

quarter. Per Rule 2.3(b), if the deadline is missed and no other source of emissions data has been provided:

that GIS Generator shall be deemed to have the emissions per MWh most recently provided to the GIS Administrator by one of the Environmental Regulatory Agencies listed on Appendix 5.3 for generators using the same fuel type as the GIS Generator... and all other fields for such GIS Generator shall be left blank on its Certificates." [emphasis added]. All other fields includes [sic] the field that signifies whether a facilities' Certificates are eligible to satisfy the New Renewable Resource requirements of the RES. While the emissions data associated with Certificates cannot be altered, APX will alter the fields that indicate whether a Certificate is eligible to satisfy states' RPS at the clear direction of a state agency with RPS jurisdiction.

This means that if the emissions data is not entered within the timeframe allowed, the Certificates are not considered to be Rhode Island-eligible Certificates for the purpose of meeting the RES.

#### **IV. VEPP's Petition**

On January 19, 2022, VEPP filed a letter with the Commission indicating it missed the January 10, 2022 deadline to enter emissions data into GIS for Cersosimo's third quarter generation (July, August, and September 2021). The letter indicated that Cersosimo's output was eighty-six (86) megawatt hours during the quarter, that APX had represented to VEPP that APX did not have the authority to alter Certificate fields, and that APX referred VEPP to the Commission for resolution of the eligibility of the eighty-six Certificates. The letter also indicated that VEPP had filed with the Commission the quarterly fuel compliance reports associated with the generation on November 29, 2021.

#### **V. Discovery**

Commission staff and consultants issued two sets of data requests to VEPP to further substantiate the information in the VEPP's January 10, 2022 letter. Among other information, the data requests identified the specific Certificates in question (6708453-1 through -29 and 6679229-1 through -57), the default emissions that were recorded in GIS for the generation, and the actual

emissions that were consistent with the November 29, 2021 fuel report (that should have been entered into GIS by VEPP). Comparing the default and actual emissions data shows that actual emissions were lower than what was recorded in GIS. Finally, VEPP provided its relevant correspondence with APX in which APX directs VEPP to work with the Commission to resolve whether the Certificates RES eligibility now could be changed.

## **VI. Discussion**

While VEPP's petition does not exactly comply with the Commission's Rules of Practice and Procedure 810-RICR-00-00-1.11A, it is clear through previous history and discovery that if the Commission finds the Certificates eligible for the RES, APX would defer to the Commission's authority over RES eligibility and alter the relevant fields in the GIS. Thus, the Commission has the authority to provide VEPP the relief it seeks.

Furthermore, with respect to the RES and the ongoing compliance required by Order No. 23344, Cersosimo remains an eligible New Renewable Resource, and no facts in the record diminish this status. It appears the only reason for the Certificates not being recorded as RES-eligible in GIS is a clerical delay by VEPP.

The impact of this error is likely negative to Vermont utilities and their customers that support the Standard Offer Program, and may also impact Obligated Entities in Rhode Island and their customers who would otherwise purchase these Certificates to comply with the RES. Conversely, the entity that procures the Certificates will likely be a Rhode Island energy supplier, and the default emissions associated with the Certificates will be higher than should have been recorded.

The Commission recognizes, however, that the error only affects eighty-six certificates, rendering negative and positive impacts likely small. A similar error with a larger magnitude may

require further consideration by the Commission. First, the Commission would need to consider how to treat the Certificates if they are used to comply with the Commission's Rules Governing Energy Source Disclosure. Second, the Commission would need to consider impacts on the jurisdiction of other state agencies related to the Act on Climate. In the second instance, the Commission may seek input from the affected agencies. Therefore, the Commission's decision in this case is limited to the facts and instance of herein and should not be applied generally in future cases without specific relief granted by the Commission.

Accordingly, it is hereby

(24414) ORDERED:

1. GIS Certificates 6708453-1 through 6708453-29 and 6679229-1 through 6679229-57 associated with the full July, August, and September 2021 output of Cersosimo Lumber Co., Inc, NON107661 RI-4853-N18 are deemed eligible as New Renewable Energy Resource Certificates.
2. The Commission Clerk will transmit this decision to APX for immediate correction of the necessary Certificate fields so that the Certificates may be traded in the 2021 Compliance Year trading period.
3. This Order is limited to the specific facts and expected emissions impacts described in this Order and may not be used as precedent for staff or Commission consultants to administratively grant such a waiver in the future.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING  
DECISION ON MAY 19, 2022. WRITTEN ORDER ISSUED MAY 19, 2022.

PUBLIC UTILITIES COMMISSION



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Ronald T. Gerwatowski, Chairman



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Abigail Anthony, Commissioner



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John C. Revens, Jr, Commissioner

**NOTICE OF RIGHT OF APPEAL:** Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven (7) days 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.