

N.H. TITLE XXXIV PUBLIC UTILITIES

CHAPTER 362-F ELECTRIC RENEWABLE PORTFOLIO STANDARD

Section 362-F:1

362-F:1 Purpose. – Renewable energy generation technologies can provide fuel diversity to the state and New England generation supply through use of local renewable fuels and resources that serve to displace and thereby lower regional dependence on fossil fuels. This has the potential to lower and stabilize future energy costs by reducing exposure to rising and volatile fossil fuel prices. The use of renewable energy technologies and fuels can also help to keep energy and investment dollars in the state to benefit our own economy. In addition, employing low emission forms of such technologies can reduce the amount of greenhouse gases, nitrogen oxides, and particulate matter emissions transported into New Hampshire and also generated in the state, thereby improving air quality and public health, and mitigating against the risks of climate change. It is therefore in the public interest to stimulate investment in low emission renewable energy generation technologies in New England and, in particular, New Hampshire, whether at new or existing facilities.

Source. 2007, 26:2, eff. July 10, 2007.

Section 362-F:2

362-F:2 Definitions. – In this chapter:

- I. "Begun operation" means the date that a facility, or a capital addition thereto, for the purpose of repowering to renewable energy is first placed in service for purposes of the implementing regulations of the Internal Revenue Code of 1986, as amended.
- II. "Biomass fuels" means plant-derived fuel including clean and untreated wood such as brush, stumps, lumber ends and trimmings, wood pallets, bark, wood chips or pellets, shavings, sawdust and slash, agricultural crops, biogas, or liquid biofuels, but shall exclude any materials derived in whole or in part from construction and demolition debris.
- III. "Certificate" means the record that identifies and represents each megawatt-hour generated by a renewable energy generating source under RSA 362-F:6.
- IV. "Commission" means public utilities commission.
- V. "Customer-sited source" means a source that is interconnected on the end-use customer's 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.
- VI. "Default service" means electricity supply that is available to retail customers who are otherwise without an electricity supplier as defined in RSA 374-F:2, I-a.
- VII. "Department" means the department of environmental services.
- VIII. "Eligible biomass technologies" means generating technologies that use biomass fuels as

their primary fuel, provided that the generation unit:

(a) Has a quarterly average nitrogen oxide (NO_x) emission rate of less than or equal to 0.075 pounds/million British thermal units (lbs/Mmbtu), and either has an average particulate emission rate of less than or equal to 0.02 lbs/Mmbtu as measured and verified under RSA 362-F:12 or is participating in a plan approved by the department under RSA 362-F:11, IV for reductions in particulate matter emissions from other emission sources comparable to the difference between the generation unit's particulate matter emissions rate and the 0.02 lbs/Mmbtu rate; and

(b) Uses any fuel other than the primary fuel only for start-up, maintenance, or other required internal needs.

IX. "End-use customer" means any person or entity that purchases electricity supply at retail in New Hampshire from another person or entity but shall not include:

(a) A generating facility taking station service at wholesale from the regional market administered by the independent system operator (ISO-New England) or self-supplying from its other generating stations; and

(b) Prior to January 1, 2010, a customer who purchases retail electricity supply, other than default service under a supply contract executed prior to January 1, 2007.

X. "Historical generation baseline" means:

(a) The average annual electrical production from a facility other than hydroelectric, stated in megawatt-hours, for the 3 years 2004 through 2006, or for the first 36 months after the facility began operation if that date is after December 31, 2001; provided that the historical generation baseline shall be measured regardless of whether or not the emissions from the facility during the baseline period meets emissions requirements of the class.

(b) The average annual production of a hydroelectric facility from the later of January 1, 1986 or the date of first commercial operation through December 31, 2005. If the hydroelectric facility experienced an upgrade or expansion during the historical generation baseline period, actual generation for that entire period shall be adjusted to estimate the average annual production that would have occurred had the upgrade or expansion been in effect during the entire historical generation baseline period.

XI. "Methane gas" means biologically derived methane gas from anaerobic digestion of organic materials from such sources as yard waste, food waste, animal waste, sewage sludge, septage, and landfill waste.

XII. "New England control area" means the term as defined in ISO-New England's transmission, markets and services tariff, FERC electric tariff no. 3, section II.

XIII. "Primary fuel" means a fuel or fuels, either singly or in combination, that comprises at least 90 percent of the total energy input into a generating unit.

XIV. "Provider of electricity" means a distribution company providing default service or an electricity supplier as defined in RSA 374-F:2, II, but does not include municipal suppliers.

XV. "Renewable energy source," "renewable source," or "source" means a class I, II, III, or IV source of electricity or a class I source of useful thermal energy. An electrical generating facility, while selling its electrical output at long-term rates established before January 1, 2007 by orders of the commission under RSA 362-A:4, shall not be considered a renewable source.

XV-a. "Useful thermal energy" means renewable energy delivered from class I sources that can be metered and that is delivered in New Hampshire to an end user in the form of direct heat, steam, hot water, or other thermal form that is used for heating, cooling, humidity control, process use, or other valid thermal end use energy requirements and for which fuel or electricity

would otherwise be consumed.

XVI. "Year" means a calendar year beginning January 1 and ending December 31.

Source. 2007, 26:2. 2008, 113:5, eff. Aug. 2, 2008; 368:3, eff. July 11, 2008. 2012, 272:1, 2, eff. June 19, 2012.

Section 362-F:3

362-F:3 Minimum Electric Renewable Portfolio Standards. – For each year specified in the table below, each provider of electricity shall obtain and retire certificates sufficient in number and class type to meet or exceed the following percentages of total megawatt-hours of electricity supplied by the provider to its end-use customers that year, except to the extent that the provider makes payments to the renewable energy fund under RSA 362-F:10, II:

2008 2009 2010 2011 2012 2013 2014 2015 2025
and
thereafter

Class I 0.0% 0.5% 1% 2% 3% 3.8% 5% 6% 15% (*)

Class II 0.0% 0.0% 0.04% 0.08% 0.15% 0.2% 0.3% 0.3% 0.3%

Class III 3.5% 4.5% 5.5% 6.5% 1.4% 1.5% 3.0% 8.0% 8.0%

Class IV 0.5% 1% 1% 1% 1% 1.3% 1.4% 1.5% 1.5%

*Class I increases an additional 0.9 percent per year from 2015 through 2025. A set percentage of the class I totals shall be satisfied annually by the acquisition of renewable energy certificates from qualifying renewable energy technologies producing useful thermal energy as defined in RSA 362-F:2, XV-a. The set percentage shall be 0.4 percent in 2014, 0.6 percent in 2015, 1.3 percent in 2016, and increased annually by 0.1 percent per year from 2017 through 2023, after which it shall remain unchanged. Classes II-IV remain at the same percentages from 2015 through 2025 except as provided in RSA 362-F:4, V-VI.

Source. 2007, 26:2, eff. July 10, 2007. 2012, 272:3, eff. June 19, 2012. 2013, 272:1, eff. July 24, 2013; 279:7, eff. July 27, 2013.

Section 362-F:4

362-F:4 Electric Renewable Energy Classes. –

I. Class I (New) shall include the production of electricity or useful thermal energy from any of the following, provided the source began operation after January 1, 2006, except as noted below:

- (a) Wind energy.
- (b) Geothermal energy, if the geothermal energy output is in the form of useful thermal energy only if the unit began operation after January 1, 2013.
- (c) Hydrogen derived from biomass fuels or methane gas.
- (d) Ocean thermal, wave, current, or tidal energy.
- (e) Methane gas.

(f) Eligible biomass technologies.

(g) Solar thermal energy; if the solar thermal energy output is in the form of useful thermal energy only if the unit began operation after January 1, 2013.

(h) Class II sources to the extent that they are not otherwise used to satisfy the minimum portfolio standards of other classes.

(i) The incremental new production of electricity in any year from an eligible biomass or methane source or any hydroelectric generating facility licensed or exempted by Federal Energy Regulatory Commission (FERC), regardless of gross nameplate capacity, over its historical generation baseline, provided the commission certifies demonstrable completion of capital investments attributable to the efficiency improvements, additions of capacity, or increased renewable energy output that are sufficient to, were intended to, and can be demonstrated to increase annual renewable electricity output. The determination of incremental production shall not be based on any operational changes at such facility but rather on capital investments in efficiency improvements or additions of capacity.

(j) The production of electricity from a class III or IV source that has begun operation as a new facility by demonstrating that 80 percent of its resulting tax basis of the source's plant and equipment, but not its property and intangible assets, is derived from capital investment directly related to restoring generation or increasing capacity including department permitting requirements for new plants. Such production shall not qualify for class III or IV certificates. Commencing July 1, 2013, a class III source eligible as a class I source under this subparagraph or subparagraph (i) may submit a notice to the commission electing to be a class III source instead of a class I source. Once such notice is given, the production from such a source shall qualify for class III certificates, provided the source meets the other requirements of a class III eligible biomass technology.

(k) The production of electricity from any fossil-fueled generating facility that originally commenced operation prior to January 1, 2006, if after January 1, 2012 such facility co-fires with class I eligible biomass fuels to displace the combustion of an amount of fossil fuels. The portion of the total electrical energy output that qualifies as class I from a facility in a given time period shall be the fraction of electrical production derived from the combustion of biomass fuels based on the heat input at the facility in that time period as determined by the commission in consultation with the department. To qualify under this paragraph, the electricity generation facility that co-fires with biomass fuels shall:

(1) Either have a quarterly average nitrogen oxide (NO_x) emission rate, as measured and verified under RSA 362-F:12, of less than or equal to 0.075 pounds/million British thermal units (lbs/Mmbtu) or be a participant in a plan approved by the department for reductions in NO_x from other emission sources. The quantity of reductions required shall be the fraction of electrical production derived from the combustion of biomass fuels, as determined under this paragraph, multiplied by the difference between the generation unit's NO_x emissions rate and the 0.075 lbs/Mmbtu rate. The plan shall contain reductions, in the aggregate or individually, in NO_x emissions from other emission sources under the jurisdiction of the department and demonstrate that the reductions will be quantifiable. The department shall expeditiously review the plan and, if approved, provide such information as it deems relevant to the commission. The application submitted to the commission under RSA 362-F:11 shall inform the commission of the plan and the commission shall certify the source in accordance with the plan approved by the department; and

(2) Either have an average particulate emission rate, as measured and verified under RSA

362-F:12, of less than or equal to 0.02 lbs/Mmbtu or be a participant in a plan approved by the department for reductions in particulate matter emissions from emission sources owned by or affiliated with the co-firing entity. The quantity of reductions required shall be the fraction of electrical production derived from the combustion of biomass fuels, as determined under this paragraph, multiplied by the difference between the generation unit's particulate matter emissions rate and the 0.02 lbs/Mmbtu rate. The plan shall contain reductions, in the aggregate or individually, in particulate matter emissions from other emission sources under the jurisdiction of the department and demonstrate that the reductions will be quantifiable. The department shall expeditiously review the plan and, if approved, provide such information as it deems relevant to the commission. The application submitted to the commission under RSA 362-F:11 shall inform the commission of the plan and the commission shall certify the source in accordance with the plan approved by the department.

(l) Biomass renewable energy technologies producing useful thermal energy that began operation after January 1, 2013 provided that:

(1) If the unit is a biomass unit rated between 3 and 30 Mmbtu/hr design gross heat input, it shall have an average particulate emission rate of less than or equal to 0.10 lbs/Mmbtu as measured and verified by conducting and reporting the results of a one-time initial stack test in accordance with methods approved by the department;

(2) If the unit is a biomass unit rated equal to or greater than 30 Mmbtu/hr design gross heat input, it shall have an average particulate emission rate of less than or equal to 0.02 lbs/Mmbtu as measured and verified under RSA 362-F:12;

(3) If the unit is a biomass unit rated less than 100 Mmbtu/hr design gross heat input, best management practices as determined by the department shall be implemented; and

(4) If the unit is a biomass unit rated equal to or greater than 100 Mmbtu/hr design gross heat input, it shall have a quarterly average NOx emission rate of less than or equal to 0.075 Mmbtu/hr as measured and verified under RSA 362-F:12; and

(5) If the unit is an upgrade or replacement to an existing source of thermal energy that used biomass as its primary fuel source in its normal operation prior to January 1, 2013, then the unit shall be a combined heat and power unit that provides district heating, and at least 80 percent of the resulting tax basis of the unit's plant and equipment, but not its property and intangible assets, shall be derived from capital investments directly related to the upgrade or replacement and made on or after January 1, 2013.

II. Class II (New Solar) shall include the production of electricity from solar technologies, provided the source began operation after January 1, 2006.

III. Class III (Existing Biomass/Methane) shall include the production of electricity from any of the following, provided the source began operation prior to January 1, 2006:

(a) Eligible biomass technologies having a gross nameplate capacity of 25 MWs or less.

(b) Methane gas.

IV. (a) Class IV (Existing Small Hydroelectric) shall include the production of electricity from hydroelectric energy, provided the facility:

(1) Began operation prior to January 1, 2006;

(2) When required, has documented applicable state water quality certification pursuant to section 401 of the Clean Water Act for hydroelectric projects; and

(3) Either:

(A) Has a total nameplate capacity of 5 MWs or less as measured by the sum of the nameplate capacities of all the generators at the facility and has actually installed both upstream

and downstream diadromous fish passages and such installations have been approved by the Federal Energy Regulatory Commission, or;

(B) Has a total nameplate capacity of one MW or less as measured by the sum of the nameplate capacities of all generators at the facility, is in compliance with applicable Federal Energy Regulatory Commission fish passage restoration requirements, and is interconnected with an electric distribution system located in New Hampshire.

(b)(1) Notwithstanding subparagraph (a), the commission shall re-certify as class IV renewable energy sources the facilities named in commission order numbers 24,940 and 24,952. These facilities are:

(A) The Canaan, Gorham, Hooksett, and Jackman hydroelectric facilities owned by Public Service Company of New Hampshire, which had been previously certified by the commission on September 23, 2008; and

(B) The North Gorham and Bar Mills projects owned by FPL Energy Maine Hydro, LLC which had been previously certified by the commission on October 30, 2008.

(2) These facilities shall not qualify or be certified as class IV renewable energy sources after March 23, 2009, unless they meet the requirements of subparagraph (a). Such facilities shall be eligible for class IV renewable energy certificates for all electricity generated between the effective date of each facility's original certification by the commission through March 23, 2009. Such certificates shall have the same validity as any other class IV certificate issued under RSA 362-F, and may be sold, exchanged, banked, and utilized accordingly.

V. For good cause, and after notice and hearing, the commission may accelerate or delay by up to one year, any given year's incremental increase in class I or II renewable portfolio standards requirement under RSA 362-F:3.

VI. After notice and hearing, the commission may modify the class III and IV renewable portfolio standards requirements under RSA 362-F:3 for calendar years beginning January 1, 2012 such that the requirements are equal to an amount between 85 percent and 95 percent of the reasonably expected potential annual output of available eligible sources after taking into account demand from similar programs in other states.

Source. 2007, 26:2, eff. July 10, 2007. 2009, 86:1, eff. June 10, 2009. 2012, 272:4-7, 9, eff. June 19, 2012. 2013, 272:2, eff. July 24, 2013; 279:8, eff. July 27, 2013.

Section 362-F:5

362-F:5 Commission Review and Report. – Commencing in January 2011, 2018, and 2025 the commission shall conduct a review of the class requirements in RSA 362-F:3 and other aspects of the electric renewable portfolio standard program established by this chapter. Thereafter, the commission shall make a report of its findings to the general court by November 1, 2011, 2018, and 2025, respectively, including any recommendations for changes to the class requirements or other aspects of the electric renewable portfolio standard program. The commission shall review, in light of the purposes of this chapter and with due consideration of the importance of stable long-term policies:

I. The adequacy or potential adequacy of sources to meet the class requirements of RSA 362-F:3;

II. The class requirements of all sources in light of existing and expected market conditions;

III. The potential for addition of a thermal energy component to the electric renewable

portfolio standard;

IV. Increasing the class requirements relative to classes I and II beyond 2025;

V. The possible introduction of any new classes such as an energy efficiency class or the consolidation of existing ones;

VI. The timeframe and manner in which new renewable class I and II sources might transition to and be treated as existing renewable sources and if appropriate, how corresponding portfolio standards of new and existing sources might be adjusted;

VII. The experience with and an evaluation of the benefits and risks of using multi-year purchase agreements for certificates, along with purchased power, relative to meeting the purposes and goals of this chapter at the least cost to consumers and in consideration of the restructuring policy principles of RSA 374-F:3; and

VIII. Alternative methods for renewable portfolio standard compliance, such as competitive procurement through a centralized entity on behalf of all consumers in all areas of the state.

IX. The distribution of the renewable energy fund established in RSA 362-F:10.

Source. 2007, 26:2. 2008, 368:2, eff. July 11, 2008.

Section 362-F:6

362-F:6 Renewable Energy Certificates. –

I. The electric renewable portfolio standard program established in this chapter shall utilize the regional generation information system (GIS) of energy certificates administered by ISO-New England and the New England Power Pool (NEPOOL) or their successors. If the regional GIS certificate tracking program administered by the ISO-New England is no longer operational or accessible, the commission shall develop an alternative certificate program, after public notice and hearing, designed to provide at least the same information on the type and generation of renewable energy resources as the GIS certificate tracking program.

II. The commission shall establish procedures by which electricity and useful thermal energy production not tracked by ISO-New England from customer-sited sources, including behind the meter production, may be included within the certificate program, provided such sources are located in New Hampshire. The procedures may include the aggregation of sources and shall be compatible with procedures of the certificate program administrator, where possible. The production shall be monitored and verified by an independent entity designated by the commission, which may include electric distribution companies, or by such other means as the commission finds adequate in verifying that such production is occurring. For customer-sited sources under 15 kilowatts in capacity, the commission shall not require the independent monitors to perform an annual site visit, and shall allow the owner of the customer-sited source to electronically report production monthly to an independent monitor.

II-a. The commission shall establish a methodology to estimate the total yearly production for customer-sited sources that are net metered under RSA 362-A:9 and for which class I or II certificates are not issued. For purposes of estimation, the commission shall use a capacity factor rating of 20 percent for each installation and shall keep class II production separate from class I production. Providers of electricity required to obtain and retire certificates under RSA 362-F:3 shall receive an annual credit for such production. By February 28 of each year, the commission shall compute and make public credit percentages that are equal to the estimated production for the prior calendar year in each class divided by the total amount of electricity supplied by

providers of electricity to end-use customers in the prior calendar year, with the result converted to a percentage. Each provider may then, at the time of its annual report filing under RSA 362-F:8, claim a class I and a class II certificate credit equal to the credit percentage times the total megawatt-hours of electricity supplied by the provider to its end-use customers the prior calendar year.

III. The commission shall designate in a timely manner New Hampshire eligible renewable sources together with any conditions pursuant to this chapter to the certificate program administrator under paragraph I, with such sources being the recipient of all certificates issued for purpose of this chapter.

IV. (a) Certificates issued for purposes of complying with this chapter shall come from sources within the New England control area unless the source is located in a synchronous control area adjacent to the New England control area and the energy produced by the source is actually delivered into the New England control area for consumption by New England customers. The delivery of such energy from the source into the New England control area shall be verified by:

(1) A unit-specific bilateral contract for sale and delivery of a source's electrical energy to the New England control area that is in place for the time period during which renewable certificates are generated;

(2) Confirmation from ISO-New England that the sale of the renewable energy was actually settled in the ISO market system; and

(3) Confirmation through the North American Electric Reliability Corporation tagging system that the import of energy into the New England control area actually occurred.

(b) The commission may impose such other requirements as it deems appropriate, including methods of confirming actual delivery of the electrical energy into the New England control area.

V. A qualified producer of useful thermal energy shall provide for the metering of useful thermal energy produced in order to calculate the quantity of megawatt-hours for which renewable energy certificates are qualified, and to report to the public utilities commission under rules adopted pursuant to RSA 362-F:13. Monitoring, reporting, and calculating the useful thermal energy produced in each quarter shall be expressed in megawatt-hours, where each 3,412,000 BTUs of useful thermal energy is equivalent to one megawatt-hour.

Source. 2007, 26:2, eff. July 10, 2007. 2009, 86:2, eff. June 10, 2009. 2012, 272:10, 11, eff. June 19, 2012. 2014, 130:1, eff. Aug. 15, 2014.

Section 362-F:7

362-F:7 Sale, Exchange, and Use of Certificates. –

I. A certificate may be sold or otherwise exchanged by the source to which it was initially issued or by any other person or entity that acquires the certificate. A certificate may only be used once for compliance with the requirements of this chapter. It may not be used for compliance with this chapter if it has been or will be used for compliance with any similar requirements of another non-federal jurisdiction, or otherwise sold, retired, claimed, or represented as part of any other electrical energy output or sale. Certificates shall only be used by providers of electricity for compliance with the requirements of RSA 362-F:3 in the year in which the generation represented by the certificate was produced, except that unused certificates

of the proper class issued for production during the prior 2 years may be used to meet up to 30 percent of a provider's requirements for a given class obligation in the current year of compliance.

II. Certificates from behind-the-meter distributed generation shall be initially issued to the owner of the customer-sited source or its designee, regardless of whether the source has received assistance from the renewable energy fund established in RSA 362-F:10.

Source. 2007, 26:2, eff. July 10, 2007. 2012, 272:12, eff. June 19, 2012.

Section 362-F:8

362-F:8 Information Collection. – By July 1 of each year, each provider of electricity shall submit a report to the commission, in a form approved by the commission, documenting its compliance with the requirements of this chapter for the prior year. The commission may investigate compliance and collect any information necessary to verify and audit the information provided to the commission by providers of electricity.

Source. 2007, 26:2, eff. July 10, 2007.

Section 362-F:9

362-F:9 Purchased Power Agreements. –

I. Upon the request of one or more electric distribution companies and after notice and hearing, the commission may authorize such company or companies to enter into multi-year purchase agreements with renewable energy sources for certificates, in conjunction with or independent of purchased power agreements from such sources, to meet reasonably projected renewable portfolio requirements and default service needs to the extent of such requirements, if it finds such agreements or such an approach, as may be conditioned by the commission, to be in the public interest.

II. In determining the public interest, the commission shall find that the proposal is, on balance, substantially consistent with the following factors:

- (a) The efficient and cost-effective realization of the purposes and goals of this chapter;
- (b) The restructuring policy principles of RSA 374-F:3;
- (c) The extent to which such multi-year procurements are likely to create a reasonable mix of resources, in combination with the company's overall energy and capacity portfolio, in light of the energy policy set forth in RSA 378:37 and either the distribution company's integrated least cost resource plan pursuant to RSA 378:37-41, if applicable, or a portfolio management strategy for default service procurement that balances potential benefits and risks to default service customers;
- (d) The extent to which such procurement is conducted in a manner that is administratively efficient and promotes market-driven competitive innovations and solutions; and
- (e) Economic development and environmental benefits for New Hampshire.

III. The commission may authorize one or more distribution companies to coordinate or delegate procurement processes under this section.

IV. Rural electric cooperatives for which a certificate of deregulation is on file with the

commission shall not be required to seek commission authorization for multi-year purchased power agreements or certificate purchase agreements under this section.

Source. 2007, 26:2, eff. July 10, 2007.

Section 362-F:10

362-F:10 Renewable Energy Fund. –

I. There is hereby established a renewable energy fund. This nonlapsing, special fund shall be continually appropriated to the commission to be expended in accordance with this section. The state treasurer shall invest the moneys deposited therein as provided by law. Income received on investments made by the state treasurer shall also be credited to the fund. All payments to be made under this section shall be deposited in the fund. The moneys paid into the fund under paragraph II of this section, excluding class II moneys, shall be used by the commission to support thermal and electrical renewable energy initiatives. Class II moneys shall primarily be used to support solar energy technologies in New Hampshire. All initiatives supported out of these funds shall be subject to audit by the commission as deemed necessary. All fund moneys including those from class II may be used to administer this chapter, but all new employee positions shall be approved by the fiscal committee of the general court. No new employees shall be hired by the commission due to the inclusion of useful thermal energy in class I production.

II. In lieu of meeting the portfolio requirements of RSA 362-F:3 for a given year if, and to the extent sufficient certificates are not otherwise available at a price below the amounts specified in this paragraph, an electricity provider may, at the time of report submission for that year under RSA 362-F:8, make payment to the commission at the following rates for each megawatt-hour not met for a given class obligation through the acquisition of certificates:

(a) Class I--\$55, except for that portion of the class electric renewable portfolio standards to be met by qualifying renewable energy technologies producing useful thermal energy under RSA 362-F:3 which shall be \$25 beginning January 1, 2013.

(b) Class II--\$55.

(c) Class III--\$31.50.

(d) Class IV--\$26.50.

III. (a) Beginning in 2013, the commission shall adjust these rates by January 31 of each year using the Consumer Price Index as published by the Bureau of Labor Statistics of the United States Department of Labor for classes III and IV and 1/2 of such Index for classes I and II.

(b) In lieu of the adjustments under subparagraph (a) for class III in 2015, 2016 and 2017, the class rate in each of those years shall be \$45.

(c) By January 31, 2018 the commission shall compute the 2018 class III rate to equal the rate that would have resulted in 2018 by the application of subparagraph (a) to the 2013 rate and each subsequent year's rate to 2018.

(d) In 2019 and thereafter, the class III rate shall be determined by application of subparagraph (a) to the prior year's rate.

IV. The commission shall make an annual report by October 1 of each year, beginning in 2009, to the legislative oversight committee on electric utility restructuring established under RSA 374-F:5, the house science, technology and energy committee, and the senate energy and natural resources committee detailing how the renewable energy fund is being used and any recommended changes to such use. The report shall also include information on the total peak

generating capacity that is net energy metered under RSA 362-A:9 within the franchise area of each electric distribution utility, and the percentage this represents of the amount that is allowed to be net metered within each franchise area. Information shall be provided on net metered group host registrations and the associated customer groups, including number and location of group host facilities, generation by renewable source and size of facility, and group load served by such facilities.

V. The public utilities commission shall make and administer a one-time incentive payment of \$3 per watt of nominal generation capacity up to a maximum payment of \$6,000, or 50 percent of system costs, whichever is less, per facility to any residential owner of a small renewable generation facility, that would qualify as a Class I or Class II source of electricity, has a total peak generation capacity of 10 kilowatts or fewer, begins operation on or after July 1, 2008, and is located on or at the owner's residence.

VI. Such payments shall be allocated from the renewable energy fund established in paragraph I, as determined by the commission to the extent funding is available up to a maximum aggregate payment of 40 percent of the fund over each 2-year period commencing July 1, 2010.

VII. The commission shall, after notice and hearing, by order or rule establish an application process for the incentive payment program established under paragraph V. The application process shall include verification of costs for parts and labor, certification that the equipment used meets the applicable safety standards of the American National Standards Institute (ANSI) or Underwriters Laboratory (UL) or similar safety rating agency, and that the facility meets local zoning regulations, and receives any required inspections.

VIII. The commission may, after notice and hearing, by order or rule, establish additional incentive or rebate programs and competitive grant opportunities for renewable thermal and electric energy projects sited in New Hampshire.

IX. For good cause the commission may, after notice and hearing, by order or rule, modify the program, including reducing the incentive level, created under RSA 362-F:10, V.

X. Consistent with RSA 362-F:10, VI, the commission shall, over each 2-year period commencing July 1, 2010, reasonably balance overall amounts expended, allocated, or obligated from the fund, net of administrative expenditures, between residential and nonresidential sectors. Funds from the renewable energy fund awarded to renewable projects in the residential sector shall be in approximate proportion to the amount of electricity sold at retail to that sector in New Hampshire, and the remaining funds from the renewable energy fund shall be awarded to projects in the nonresidential sector which include commercial and industrial sited renewable energy projects, existing generators, and developers of new commercial-scale renewable generation in New Hampshire.

XI. The commission shall issue requests for proposals that provide renewable projects in the nonresidential sector, which include commercial and industrial sited renewable energy projects, existing generators, and developers of new commercial-scale renewable generation in New Hampshire, with opportunities to receive funds from the renewable energy fund established under RSA 362-F:10. The requests for proposals shall provide such opportunities to those renewable energy projects that are not eligible to participate in incentive and rebate programs developed by the commission under RSA 362-F:10, V and RSA 362-F:10, VIII. The commission shall issue a request for proposals no later than March 1, 2011 and annually thereafter, and select winning projects in a timely manner.

Source. 2007, 26:2. 2008, 368:1, eff. July 11, 2008. 2009, 86:3, eff. June 10, 2009. 2010, 143:4, eff. Aug. 13, 2010; 254:1-4, eff. July 6, 2010. 2012, 272:13, 14, eff. June 19, 2012. 2013, 266:3, eff. July 24, 2013; 272:3, eff. July 24, 2013; 279:1, 2, 9, eff. July 27, 2013.

Section 362-F:11

362-F:11 Application. –

I. The commission, in a non-adjudicative process, shall certify the classification of an existing or proposed generation facility by issuing a determination within 45 days of receiving from an applicant sufficient information to determine its classification. The application shall contain the following:

(a) Name and address of applicant.

(b) Facility location, ISO-New England asset identification number, and NEPOOL GIS facility code, if available.

(c) Description of the facility, including fuel type, gross generation capacity, initial commercial operation date, and, in the case of a biomass source, NO_x and particulate matter emission rates and a description of pollution control equipment or practices proposed for compliance with applicable NO_x and particulate matter emission rates.

(d) Such other information as the applicant may provide to assist in determining the classification of the generating facility.

II. The commission shall certify applications of customer-sited sources in a manner that is compatible with the procedures established for recognizing such production under RSA 362-F:6, II.

III. Biomass facilities otherwise meeting the requirements of a source shall be conditionally certified by the commission subject to compliance with the applicable NO_x and particulate matter emission standards. Within 10 days of verification of compliance with emissions standards from the department, as provided in RSA 362-F:12, III, the commission, in a non-adjudicative process, shall designate the facility as eligible pursuant to RSA 362-F:6, III.

IV. A biomass facility otherwise meeting the eligibility requirements of class III, but which as of January 1, 2012 was not an eligible biomass technology due to the inability to achieve the particulate matter emissions rate specified in RSA 362-F:2, VIII(a), may consult with the department and submit a plan to meet the alternative requirement under that paragraph. The plan shall contain reductions, in the aggregate or individually, in emissions from other emission sources and demonstrate that the reductions will be quantifiable. The department shall expeditiously review the plan and, if approved, provide such information it deems relevant to the commission. The application submitted under this section shall inform the commission of the plan and the commission shall certify the source in accordance with the plan approved by the department.

Source. 2007, 26:2, eff. July 10, 2007. 2012, 272:15, eff. June 19, 2012.

Section 362-F:12

362-F:12 Verification of Emissions From Biomass Sources. – Any source seeking to qualify using an eligible biomass technology shall verify emissions in accordance with the following methods:

I. For nitrogen oxide emissions, the source shall install and operate a continuous emissions monitor that meets departmental standards as codified in rules.

II. For particulate matter emissions, the source shall conduct an annual stack test in accordance with methods approved by the department. Upon completion of 3 annual tests which demonstrate compliance, the source may request of the department for a decrease in the frequency of testing, but to not less than once every 3 years.

III. Each such source shall file with the department and the commission within 45 days of the end of each calendar quarter an affidavit and documentation attesting to the source's average NOx emission rate for such quarter and the most recent particulate matter stack test results. For purposes of initial certification under RSA 362-F:6, the results of a stack test may be filed with the department at any time to demonstrate compliance with both the particulate matter and nitrogen oxide emissions standards. Within 30 days of a filing, the department shall provide verification of the emissions reported in the filing to the commission.

Source. 2007, 26:2, eff. July 10, 2007.

Section 362-F:13

362-F:13 Rulemaking. – The commission shall adopt rules, under RSA 541-A, to:

I. Administer the electric renewable portfolio standard program including the development of an alternative to the regional generation information system to the extent necessary.

II. Ascertain, monitor, and enforce compliance with the program to the extent not addressed in the department's rules.

III. Include within the program electric production not tracked by ISO-New England from eligible customer-sited sources.

IV. Administer the renewable energy fund and make expenditures from the fund.

V. Establish procedures for the classification of existing or proposed generation facilities, including a provision for a preliminary designation option, and to verify the completion of capital investments required of certain class I resources.

VI. Define when a repowered generation unit qualifies as a new class I source under RSA 362-F:4.

VI-a. Adopt procedures for the metering, verification, and reporting of useful thermal energy output.

VII. Otherwise discharge the responsibilities delegated to the commission under this chapter.

VIII. The department may adopt rules, under RSA 541-A, to determine best management practices for qualifying renewable energy technologies producing useful thermal energy.

Source. 2007, 26:2, eff. July 10, 2007. 2012, 272:16, 17, eff. June 19, 2012.

Section 362-F:14

362-F:14 Phase-In for Existing Supply Contract Load. – The increases in the annual purchase percentages in RSA 362-F:3 as compared to those in effect as of January 1, 2012 shall apply to the electrical load under any electrical power supply contracts for a term of years entered into by providers of electricity prior to or on July 1, 2012, upon the expiration of the term of any such contract. Providers of electricity shall inform the commission by July 1 of each year

of all such contracts and their terms, including but not limited to the execution date and expiration date of the contract and the annual volume of electrical energy supplied.

Source. 2012, 272:18, eff. June 19, 2012.