

# MEMORANDUM

**TO:** NECA Board of Directors  
**FROM:** Eric J. Krathwohl and Paul N. Belval  
Co-Chairs, Renewable Energy and Distributed Generation Committee  
**DATE:** December 6, 2007  
**RE:** Renewable Energy and Distributed Generation Committee Report

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The following is the report of the Renewable Energy and Distributed Generation Committee for the December 6 Board meeting:

FERC Licenses for Hydrokinetic Projects: The Federal Energy Regulatory Commission issued a Policy Statement on November 30 allowing it to issue conditional licenses for hydrokinetic energy projects before those projects have received authorizations from other agencies. The conditional licenses would require that the licensee obtain all necessary permits before beginning construction.

FTC Guides on Environmental Marketing Claims: The Federal Trade Commission has issued a Request for Public Comment on its Guides for the Use of Environmental Marketing Claims seeking comments on, among other things, whether the FTC's currently existing "Green Guides" should be applied to "green" energy transactions. Specifically, the FTC is seeking comment on whether those Guides should include guidance regarding renewable energy, carbon offset and sustainability claims. Comments are due on February 11, 2008, and the first public meeting, on "Carbon Offsets and Renewable Energy Certificates," will be held on January 8, 2008.

Massachusetts Sustainable Forest Bioenergy Initiative: The Massachusetts Division of Energy Resources has announced a program to provide research and development funding on forest management and market infrastructure needs in an effort to develop the biomass market. The program will research biomass harvesting and fuel processing methods and develop a strategic plan for establishing supply infrastructure and market activities.

Connecticut DPUC Decisions: The Connecticut Department of Public Utility Control issued two decisions in reopened dockets in November that clarify the sorts of projects that are eligible to satisfy the state's renewable portfolio standard. In the Boralex Stratton Energy Inc. decision (Docket No. 05-04-16RE01), the DPUC found that Boralex's plant could continue to burn construction and demolition waste and still qualify for the RPS (so long as it satisfies the statutory NOx emission requirements) until the DPUC certifies a Class I biomass gasification plant as operational and accepting biomass. In the Magellan Envirogas Partners decision (Docket No. 03-12-10RE01), the DPUC reversed its earlier decision that a Connecticut generating facility using landfill gas generated in Pennsylvania and shipped into the state via the interstate pipeline qualifies for the state RPS. In the Magellan decision, the DPUC noted that the statute had been changed to permit only those projects outside the ISO-NE control area satisfying the NEPOOL Generating Information System rules for imports (including the origination of the

power in an adjacent control area) to qualify for the RPS, and in the interest of consistency, the landfill gas used in a Connecticut project should originate in the same area for that project to qualify.

Rhode Island Wind Projects: Allco Renewable Energy Limited LLC has filed eight preliminary applications to develop four offshore wind projects with the Rhode Island Coastal Resources Management Council. The proposed projects include one south of Block Island, two south of Little Compton and one east of Fishers Island. Four of the permit applications are for meteorological towers, and the other four are for the actual projects. If Allco is successful in its early development efforts, construction could begin as early as 2009.

New Hampshire RPS Regulations: The New Hampshire Public Utilities Commission adopted new Electric Renewable Portfolio Standard rules on November 21. The regulations create four classes of renewable sources (including classes for solar, small biomass and methane, and existing hydroelectric facilities) and establishes January 1, 2006 as the demarcation point for commercial operation of “new” renewable projects. Electricity providers must begin complying with the RPS in 2008, and the required minimum percentages of renewable resources ramp up each year until 2025. The “alternative compliance payment” that an electricity providers, will pay for failure to satisfy these minimums is initially set at between \$28/MWh and \$150/MWh, adjusted annually for inflation (depending upon the class), and those payments will be deposited in the state renewable energy fund.

New York PSC Approval of Noble Chateaugay Windpark. On November 19, 2007, the New York Public Service Commission granted a Certificate of Public Convenience and Necessity to Noble Chateaugay Windpark, LLC and granted lightened regulatory treatment as well. Noble Chateaugay Windpark is a 108 MW windfarm (72 turbines) located about 200 miles north of Albany. JP Morgan Partners, the private equity arm of JP Morgan, is the majority owner.

Green Mountain Power Renewable Rate: The Vermont Public Service Board approved changes to Green Mountain Power Corp.’s renewable energy rate that will permit it to use all of the proceeds from customers buying energy under that rate to purchase renewable energy generated in Vermont, as it becomes available, rather than from elsewhere in the ISO-NE control area. GMP said that change would make the program more attractive to customers who prefer to support local projects.

Annual Renewable Energy Conference: The REDG Committee is continuing to plan its annual Renewable Energy Conference, which will be held on March 5, 2008 in Westborough. The planning committee has drafted the agenda and identified potential speakers and moderators for each panel, and we are in the process of contacting those moderators and speakers to confirm their willingness and availability to speak.

Please contact either of the co-chairs, Eric Krathwohl (617-556-3857) or Paul Belval (860-275-0381), with any questions on this material.