

New Hampshire Transmission comments
- Coordinated Competitive Renewable Power Procurement -

#	CCRPP page	Comment	NHT suggestion
1	Pg. 1	<ul style="list-style-type: none"> “...to meet state renewable energy objectives” 	<ul style="list-style-type: none"> Clarification: can NESCOE clarify that the CCRPP could be used to satisfy regional renewable goals beyond RPS? If so, is there an example?
2	Pg. 2	<ul style="list-style-type: none"> “...those renewable resources located in or proximate to the region” 	<ul style="list-style-type: none"> Clarification: This was the only mention in the document, but can NESCOE clarify renewable sources outside of ISO-NE <i>could</i> qualify? We would prefer the most flexibility possible.
3	Pg. 2	<ul style="list-style-type: none"> “Long term contracts for renewable energy could stimulate necessary transmission development” 	<ul style="list-style-type: none"> NHT suggests NESCOE acknowledge that the duration of those contracts may vary by size of project. For example, a major new transmission line for 1000MW of wind may need a longer term contract to support carrying risk of project.
4	Pg. 3	<ul style="list-style-type: none"> “...lowest all-in cost – the cost of generation and transmission combined” 	<ul style="list-style-type: none"> Clarification: Does NESCOE suggest here that they will only look at bids that show both generation and transmission together? Or, could it be possible that transmission entities can bid for an expected transmission piece and generators bid separately?
5	Pg. 3	<ul style="list-style-type: none"> “The process described here does not assume any state would make any commitment ...until state regulatory authority reviews and approves or rejects...” 	<ul style="list-style-type: none"> Don't see anywhere in this document that talks about cost recovery for projects initially short listed by the PT, who then spend additional money, but then is rejected by one or more states. Would recommend something similar to Order 1000 that after short listed, a project may receive any further prudently incurred development costs.
6	Pg. 3	<ul style="list-style-type: none"> “assigned to a PT, which also may include EDC representatives from some states as each state deem appropriate...” 	<ul style="list-style-type: none"> NHT strongly suggests removing EDCs from this process unless they agree not to bid on projects. Their involvement on the PT taints the competitive process. If required, they should be consulted on a limited basis, be separate from the PT and, where possible, the PT should make use of independent consultants instead of the EDCs

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7	Pg. 3	<ul style="list-style-type: none"> “2) The six New England states participate though the state personnel assigned to the PT...” 	<ul style="list-style-type: none"> While NHT recognizes that each states needs are different, the PT group seems like it could be too diverse with too many different representatives. Would suggest NESCOE consider the size and makeup of this group so that it is nimble enough to get things done and has a senior enough representatives involved who can speak for all factions within a state.
8	Pg. 4	<ul style="list-style-type: none"> “Each EDC...will decide whether to pursue long-term contracts with the PT’s preferred project...” 	<ul style="list-style-type: none"> NHT reads this as the EDCs have a veto over the PTs preferred selections. If that is true, we think that this is anti-competitive since the EDCs can also put forth their own proposal in this process. We recommend the EDCs set forth at the beginning their requirements and the PT will incorporate those into the bid process. That way, we can remove the veto from the EDC and address their concern upfront so as to preserve a fair, competitive process
9	Pg. 4	<ul style="list-style-type: none"> “EDCs that enter into contracts with the PTs preferred project(s) assign allocated portions of those projects among participating EDCs...” 	<ul style="list-style-type: none"> Most states have multiple EDCs – what if they don’t agree on an allocation? NHT recommends that either the PT or an independent entity makes a recommendation on the allocation or sets this up in advance as well.
10	Pg. 5	<ul style="list-style-type: none"> “...so that the benefits of the PT’s preferred projects are shared equitably among states that elect to enter into contracts...” 	<ul style="list-style-type: none"> Before the EDCs allocate the costs within a state, the states will need to decide how to allocate between the states. Does this document assume some default cost allocation between the states and then lets the EDCs do their own intra-state allocation?
11	Pg. 6	<ul style="list-style-type: none"> In reference to Diagram – 440MW of wind 	<ul style="list-style-type: none"> This examples shows wind in three states and delivered (but in different allocations) to three states. This raises a couple questions. Would this request be broken into three different RFPs? Also, how would an entity demonstrate deliverability of power from Wind 2 (in ME) to NH and CT? For example, would the resources required to be qualified in the FCM? Would like to see clarified in advance of an RFP

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12	Pg. 7	<ul style="list-style-type: none"> In reference to diagram for 640MW of different resources 	<ul style="list-style-type: none"> Given the variety of three sources in three different states, we have a similar question to our last on whether this would be broken into multiple RFPs. We would recommend breaking this example into 3 separate RFPs and specifying deliverability requirements in each
13	Pg. 9	<ul style="list-style-type: none"> “b) whether and under what conditions EDCs will consent to acting as a contractual counter-party and... 	<ul style="list-style-type: none"> It seems that at the beginning of the process the states will communicate with EDCs to determine conditions by which they would accept a contract. This would support the suggestion that they don't need to veto a preferred selection later on in the process. Importantly, someone (EDC or non-incumbent) will ultimately win the RFP and that means that the EDCs will likely see the same PPA from a state regardless of who wins the project. This follows that the states and applicable EDCs should work this out in advance and that it shouldn't be bidder specific and grounds for a EDC to reject later
14	Pg. 9	<ul style="list-style-type: none"> Consider identifying preferred resource types, such as Class I renewable resources recognized by all... 	<ul style="list-style-type: none"> One way to address this point is to suggest that as long as the fraction delivered to each state meets their requirements, then that would suffice. For example, consider 100MW of Class I resource was sought by two states to be split equally. State A counts wind and hydro as Class I. State B only counts wind. A developer could propose a project that was 50MW wind and 50MW hydro. The wind portion would go to State B and the hydro would go to State A. The idea would be to leave more of it up to the developer to figure out as long as the state requirements were met.
15	Pg. 10	<ul style="list-style-type: none"> “Non-price factors could include, as one example, Generator Interconnection Queue position” 	<ul style="list-style-type: none"> Seems unduly discriminatory to use this factor. Positions could theoretically be swapped or bought. In addition, if this is a fundamental problem with getting renewables built today, I'd rather see us address that problem directly.

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16	Pg. 11	<ul style="list-style-type: none"> “Anti-trust concerns may arise when parties engage in anticompetitive conduct...” 	<ul style="list-style-type: none"> NHT agrees with this serious risk having EDCs on the procurement team and involved in the decision making process (provided that the EDC is also competing. In addition, NU’s comments referenced in footnote 10 also acknowledge this risk. Given this, would strongly recommend removing the EDCs from this process and instead, soliciting any feedback from them separately and outside of the decision making bodies.
17	Pg. 12	<ul style="list-style-type: none"> In reference to Activity matrix 	<ul style="list-style-type: none"> Steps 1 - 6 lead up to the release of an RFP and takes 195 days. It would seem that the states could get to issuing an RFP in light of that prior to December 2013.
18	Pg. 12	<ul style="list-style-type: none"> In reference to Activity matrix 	<ul style="list-style-type: none"> Steps 7 – 11 encompass the RFP open period which totals 50 days. We have typically seen 3-5 months in other transmission only RFPs. Adding generation might take a little more time. Depending on size of project, NHT would recommend adding another 40 days to the process so that a window of 90 days is available for developers to pull together a more mature and thoughtful response.
19	Pg. 15	<ul style="list-style-type: none"> “...the state regulatory authority would mitigate such actual or apparent conflict of interest issues.” 	<ul style="list-style-type: none"> Given that the likely representatives on the PT from the EDCs will be technical and have financial/procurement skill sets that the other PT representatives would likely not have, we think it is even more important to remove EDCs from the PT and instead use independent consultants or find ways to work with EDCs, but have them separate from decision making body.
20	Pg. 15	<ul style="list-style-type: none"> “Preferred contract duration (10, 15, 20 years....) 	<ul style="list-style-type: none"> Though just used as an example here, NHT would recommend the states consider that larger projects would require longer term PPAs. For example, the Neptune project in LIPA was signed with a 30 year PPA. Putting significant capital at risk for a shorter term PPA (say 15 years) could limit ability for entities to finance efficient and reduce risk.

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21	Pg. 17	<ul style="list-style-type: none"> • Open issues – Legal Sub Team 	<ul style="list-style-type: none"> • NHT would recommend that the legal subteam be formed early and commence some of this work immediately so as not to hold up the process later in 2013
22	N/A	<ul style="list-style-type: none"> • General comment 	<ul style="list-style-type: none"> • In light of Order 1000 which functionally would enable regional renewable development, NHT would be interested in hearing how this process might fit with Order 1000 and how often this process (CCRPP) might go?
23	N/A	<ul style="list-style-type: none"> • General comment 	<ul style="list-style-type: none"> • NHT would recommend some type of process to pre-qualify entities as who is proposing projects is likely to be part of the selection criteria and would enable entities to get this out of the way early on
24	N/A	<ul style="list-style-type: none"> • General comment 	<ul style="list-style-type: none"> • NHT supports the notion that there is a list of criteria or score card be developed and shared prior to the RFP opening. The intent is to not create something that the states must follow, but it would give developers a sense for how the states weigh factors against each other – i.e. cost vs quality of resource vs. environmental vs feasibility, etc.
25	N/A	<ul style="list-style-type: none"> • General comment 	<ul style="list-style-type: none"> • How does NESCOE intend to use the response to the original RFI that went out in 2010? Also – will those RFI responses be published similar to what NYISO has recently done?