



GDS Associates, Inc.
Engineers and Consultants

M E M O R A N D U M

To: Nick Ucci, Dilip Shah, Cindy Wilson-Frias

From: Scott Albert

Date: August 30, 2013

Cc: Luly Massaro, Alan Nault, Bo Burditt

Subject: Innovative Energy Systems, Inc. – DANC, Clinton and Chautaugua Unit Uprates –
Dockets 3785, 3947 and 4138

This memo is written to support a finding that Innovative Energy System's (IES) requests for Commission acceptance/approval of increased capacity at the DANC (Docket 3785) and Clinton (Docket 3947) facilities are proper, reasonable and in compliance with the RES Regulations. A similar request for approval of increased capacity at the Chautaugua facility was also made. However, since the Commission has not yet issued an Order approving the Chautaugua facility as a RI-eligible Renewable Energy Resource (application review is currently on hold, awaiting additional information regarding evidence of a unit-specific, bilateral contract), no action on the Chautaugua facility is necessary at this time.

DANC (Docket No. 3785):

On October 27, 2006, Conservation Services Group, Inc., as authorized representative for IES, filed with the Commission an application seeking certification for its Development Authority of the North Country (DANC) Generation Unit, a 4.8 MW biomass (landfill methane gas) energy Generation Unit located in Rodman, NY, as an eligible New Renewable Energy Resource under the State of Rhode Island RES Regulations.

On February 5, 2007, the Commission issued Order No. 18850 finding that the DANC Generation Unit meets the requirements for eligibility as a New Eligible Biomass Renewable Energy Resource. Since the Generation Unit had not achieved Commercial Operation, eligibility was granted with the conditional requirement that the Company provide the Commission with written documentation verifying Commercial Operation and that the Company provide the Generation Unit's NEPOOL-GIS Asset Identification Number when assigned by NEPOOL, following achievement of Commercial Operation. On November 19th, 2008, the Company provided the Commission with meter reading data verifying the Generation Unit's Commercial Operation date of October 7, 2008 and that the NEPOOL-GIS Asset Identification Number is IMP32723. As a result, the Commission assigned unique Renewable Energy Resource certification number RI-3785-N08 on December 10, 2008.

By letter dated February 22, 2011, the Commission was informed through a co-signed document by Conservation Services Group and IES (the DANC Generation Unit's designated operator) that Conservation Services Group was removed as the Authorized Agent and replaced with Emily Zambuto, Innovative Energy Systems, LLC, 2999 Judge Road, Oakfield, NY 14125, (585) 948-8580; ezambuto@aeslfge.com.

Now, over two years later, on May 20, 2013, with supplemental and supporting information provided by letter dated August 29, 2013, including a NYISO screenshot evidencing the demonstrated increased nameplate capacity and the current Title V Air Permit issued by the New York State Department of Environmental Conservation, Company requested that the Commission accept / approve the DANC Generation Unit's nameplate capacity increase from 4.8 MW to 6.4 MW. As part of their August 29th supplemental information, IES explained that:

“At the time the original application was prepared.....three CAT® G3520C IC engine-generator sets were in operation for a total gross nameplate capacity of 4.8 MW. IES applied for and received a Title V air permit modification to install an additional CAT® G3520C IC engine-generator set fueled with landfill gas on November 16, 2011. This engine was subsequently installed and began commercial operation on April 9, 2012 for a total gross nameplate capacity of 6.4 MW.”

After examination of the supplemental information and review of original information provided as part of IES's initial application for certification for its DANC Generation Unit, GDS Associates has concluded that the supplemental information is proper, reasonable and in compliance with the RES Regulations and the Commission's earlier Order No. 18850.

Therefore, we recommend the Commission issue an order (draft attached) recognizing an increase in capacity to 6.4 MW. The order should also require that all other notices and obligations specified in the Commission's original Order No. 18850 remain valid and in full force. A copy of the new Order should also be sent to the GIS Administrator.

Clinton (Docket No. 3947):

On April 25, 2008, Casella Waste Systems filed with the Commission an application seeking certification for its Clinton Generation Unit, a 4.8 MW biomass (landfill methane gas) energy Generation Unit located in Morrisonville, NY, as an eligible New Renewable Energy Resource under the State of Rhode Island RES Regulations.

On August 6, 2008, the Commission issued Order No. 19363 finding that the Clinton Generation Unit meets the requirements for eligibility as a New Eligible Biomass Renewable Energy Resource. However, since the Generation Unit had not achieved Commercial Operation, eligibility was granted with the conditional requirement that the Company provide the Commission with written documentation verifying Commercial Operation and that the Company provide the Generation Unit's NEPOOL-GIS Asset Identification Number when assigned by NEPOOL, following achievement of Commercial Operation. On January 19th, 2009, the Company provided the Commission with meter reading data verifying the Generation Unit's Commercial Operation date of November 6, 2008 and that the NEPOOL-GIS Asset

Identification Number is IMP32730 and, by Commission Order No. 19577, dated February 19, 2009, a unique Renewable Energy Resource certification number RI-3947-N09 was assigned.

On May 20, 2013, with supplemental and supporting information provided by letter dated August 29, 2013, including a NYISO screenshot evidencing the demonstrated increased nameplate capacity and the current Title V Air Permit issued by the New York State Department of Environmental Conservation, the Company has requested that the Commission accept / approve the Clinton Generation Unit's nameplate capacity increase from 4.8 MW to 6.4 MW. As part of their August 29th supplemental information, IES (Casella Waste System's authorized representative and Operator of the Clinton facility) explained that:

“At the time the original application was prepared.....three CAT® G3520C IC engine-generator sets were in operation for a total gross nameplate capacity of 4.8 MW. An additional engine was subsequently installed and began commercial operation on July 29, 2009 for a total gross nameplate capacity of 6.4 MW.”

After examination of the supplemental information and review of original information provided as part of IES's initial application for certification for its Clinton Generation Unit, GDS Associates has concluded that the supplemental information is proper, reasonable and in compliance with the RES Regulations and the Commission's earlier Order Nos. 19363 and 19577.

Therefore, we recommend the Commission issue an order (draft attached) recognizing an increase in capacity to 6.4 MW. The order should also require that all other notices and obligations specified in the Commission's original Orders remain valid and in full force. A copy of the new Order should also be sent to the GIS Administrator.

Please don't hesitate to contact me if you have any questions regarding these recommendations.