



GDS Associates, Inc.  
Engineers and Consultants

**RENEWABLE ENERGY RESOURCES ELIGIBILITY**  
**GDS TEAM RECOMMENDATION**  
**For Consideration By The**  
**STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION**  
(Version 6 – August 20<sup>th</sup>, 2013)

**Date:** November, 21, 2013  
**Docket #:** 4433

**Generation Unit and Contact Information:**

*Unit Name:* Gouldtown Development  
*Unit Owner:* Northbrook Lyons Falls LLC  
*Unit Size (max. MW):* 2 MW      *Location (city, state):* Lyonsdale, NY  
*Commercial Operation Date:* May 6, 1986  
*Contact Name, Numbers and Address:* Stéphane Cohen, Jr. Engineer,  
Northbrook Lyons Falls LLC, 3285 chemin Bedford, Montreal, Québec, H3S 1G5  
*Phone:* (514) 343-3100 #2109 *Fax:* (514) 343-3124 *Email:*  
stephane.cohen@kruger.com  
*Authorized Representative Name, Numbers and Address:* Guy J. Paquette, Vice  
President, Corporate and Legal Affairs, Northbrook Lyons Falls LLC, 3285  
chemin Bedford, Montreal, Québec, H3S 1G5 *Phone:* (514) 343-3100 #2109  
*Fax:* (514) 343-3124 *Email:* stephane.cohen@kruger.com

**Application Received:**                                  **Date:** 8/13/2013  
*Comments:* Additional information received on 11/11/2013.

**Type of Certification Requested:**

Standard Certification     Prospective Certification (Declaratory Judgment)

**Generation Type and Technology Information: (check all that apply)**

Repowered Project     Incremental Generation     Incremental Intermittent  
 Customer-Sited or Off-Grid System (or associated aggregations)  
 Generation Unit Located in Control Area Adjacent to NEPOOL: NY  
 Solar     Wind     Ocean Thermal     Geothermal     Small Hydro  
 Eligible Biomass     Unlisted Biomass     Biomass (fossil co-fired/multi-fuel)  
 Fuel Cell (using an eligible renewable resource)

**Recommendation:**

Approve (GIS Certification #: IMP37936)     Reject     Public Hearing  
Needed  
 Existing Renewable Energy Resource     New Renewable Energy Resource

Capable of Producing as Both Existing & New Renewable Energy Resource

*Comments:* See below for detailed comments regarding: A)The classification of the unit as a "repowered" New renewable energy resource B) Evidence of a unit-specific bilateral contract and other evidence required to approve a NY facility.

**RENEWABLE ENERGY RESOURCES ELIGIBILITY**  
**DETAILED GDS TEAM APPLICATION REVIEW RESULTS**

(Template V5 – 11/15/11)

**Date of Final Review: 11/21/2013**

Note: Depending on the type of application (project vintage, type, location, fuel source, etc.) not all of these data items will be applicable.

A. Renewable Energy Resource – Vintage (*see appropriate Sections of RES Regulations, Application Sections 3.1-3.9 and Appendix C*):  
A.1 Generation Unit meets the definition of an Existing Renewable Energy Resource noted in RES Regulations Section 3.10 (first entering commercial operation before 12/31/1997).  Yes  No  
Comments: See below

A.2 Generation from the Unit meets one of the definitions of New Renewable Energy Resource in RES Regulations Section 3.23.  Yes  No  N/A  
Comments: Repowered Generation Unit (see A.2.3)

A.2.1 If Generation Unit is at a new site, adequate documentation is provided to ensure that it first entered commercial operation after December 31, 1997.  Yes  No  N/A  
Comments:

A.2.2 If Generation Unit is at the site of an Existing Renewable Energy Resource, adequate documentation is provided to ensure that it first entered commercial operation after December 31, 1997 and that the Existing Renewable Energy Resource has been retired and replaced with such new Generation Unit.  Yes  No  N/A  
Comments:

A.2.3 If a Repowered Generation Unit (as defined in Section 3.29 of the RES Regulations – complete replacement of Prime Mover, material increase in efficiency or material decrease in air emissions, and demonstration that at least 80% of resulting tax basis of the entire Generation Unit's plant and equipment is derived from capital expenditures made after December 31, 1997), adequate documentation is provided to ensure that the entire output of said unit first entered commercial operation after December 31, 1997 at the site of existing Generation Unit.  Yes  No  N/A  
Comments: The unit has been refurbished on two separate occasions, both of which lead to increases in the facility's efficiency. The first was in 1998 following damage done during a flood. The second occurred in 2006 and is the refurbishment that leads to the "repowered" designation. In 2006 the entry of a large foreign object into the turbine caused critical damage to the unit rendering Gouldtown Development (GD) inoperable for 18 months from April

2006-Septemb23 2007. During this time, the extent of repairs done to the GD facility appears to meet the requirements for a "repowered" designation outlined in Section 3.29 of the Rules & Regulations and discussed here:

3.29 A Repowered Generation Unit means:

(i) an existing Generation Unit that completely replaces its Prime Mover with a new one (which in the case of small hydro facility is, according to 3.27 (iv) the entire turbine and structures supporting the turbine):

- As part of the additional information received on 11/11/2013 GD supplied us with a (Confidential) schematic of the facility with all the parts replaced highlighted with their locations noted. This corroborated with evidence supplied in Attachment 2 of the original application. The extent of the items replaced appears to satisfy 2.39 (i) as the only remaining portions of the facility were those associated with either the generator (not the turbine) or the facility superstructure.

(ii) the then existing generation unit must demonstrate to the satisfaction of the Commission either (a) a material increase in its efficiency or (b) a material decrease in its air emissions (not applicable)

- Attachment 3 of the application contained flow data and generation data for the unit which upon verification appears to satisfy the requirement by showing a calculated 38% increase in efficiency due to the two refurbishments.

(iii) the completed repowered unit must demonstrate that 80% of its resulting tax basis of the entire Generation Unit's plant and equipment (but not its property and intangible assets) is derived from capital expenditures made after 12/31/1997.

- A PROPRIETARY attachment to the original application compared the book value of the facility prior to the 1998 refurbishment and compared it to the cost of the repairs done in 2007 and found the repairs equaled 108.25% of the 12/31/1997 value of the facility. This appears to be sufficient to satisfy 3.29 (iii) (actual numbers were supplied but were requested to be kept CONFIDENTIAL). Based on these observations it appears the facility can be considered a Repowered Generation Unit.

A.2.4 If a multi-fuel facility, adequate documentation is provided to ensure that the renewable energy fraction of output from a Generation Unit in which an Eligible Biomass Fuel is first co-fired with fossil fuels after December 31, 1997.  Yes  No  N/A  
Comments:

A.2.5 If Incremental Output from a non-Intermittent Existing Renewable Energy Resource, adequate documentation is provided to ensure that such output is attributable to capital investments for efficiency improvements or additions of capacity that were demonstrably completed after December 31, 1997 and that are

sufficient to, were intended to, and can be demonstrated to increase annual electricity output in excess of ten percent (10%) over a Historical Generation Baseline as determined per Section 3.23.v of the RES Regulations.  Yes  No  N/A  
Comments:

A.2.6 If Incremental Output from an Intermittent Existing Renewable Energy Resource, adequate documentation is provided to ensure that such output is attributable to capital investments for efficiency improvements or additions of capacity that were demonstrably completed after December 31, 1997 and that are sufficient to, were intended to, and can be demonstrated to increase annual electricity output in excess of ten percent (10%) over a Historical Generation Baseline as determined per Section 3.23.vi of the RES Regulations.  Yes  No  N/A  
Comments:

B. Eligible Customer-Sited/Off-Grid Generation Facility:  Yes  No  
(see appropriate Sections of RES Regulations, Application Section 5 and Appendix D)

B.1 Adequate documentation provided to ensure that NEPOOL GIS Certificates are created by way of an aggregation of Generation Units, physically located in the State of Rhode Island, using the same generation technology (see RES Regulations Section 6.8.i).  Yes  No  
Comments: N/A

B.2 Proposed Aggregation Agreement (as specified in Section 6.8.iii of the RES Regulations) is reasonable and complete.  Yes  No  
Comments: N/A

B.2.1 Aggregation Agreement includes name and contact information of the aggregator owner.  Yes  No  
Comments: N/A

B.2.2 Aggregation Agreement includes name and contact information and adequate evidence of qualifications of the Verifier to ensure that the Verifier will accurately and efficiently carry out its duties.  Yes  No  
Comments: N/A

B.2.2.1 Additional evidence of Verifier qualifications requested and provided.  Yes  No  N/A  
Comments: N/A

B.2.3 Aggregation Agreement includes a declaration of any and all business or financial relations between aggregator and Verifier sufficient to ensure the independence of the Verifier in accordance

with Section 6.8.iii.c of the RES Regulations (10% or more ownership in voting stock, or family officer/etc).  Yes  No  
Comments: N/A

B.2.3.1 Aggregation Agreement includes statement indicating under what circumstances the Verifier would not be considered sufficiently independent of the individual Generation Unit, and that Generation Units not meeting this independence test would not be allowed to participate in the aggregation.  Yes  No  
Comments: N/A

B.2.4 Aggregation Agreement identifies the type of technology that will be included in the aggregation and provides a statement that the aggregation will include only individual Generation Units that meet all the requirements of the RES Regulations (physical location, vintage, etc.).  Yes  No  
Comments: N/A

B.2.5 Aggregation Agreement provides an adequate description of proposed operating procedures for the aggregation, by which the Verifier shall ensure that individual Generation Units in the aggregation comply with all eligibility requirements and that the NEPOOL GIS Certificates created accurately represent generation (see Section 6.8.iii.e of the RES Regulations).  Yes  No  
Comments: N/A

B.2.5.1 At a minimum the proposed operating procedures include reasonable and sufficient details for:

- Determining that the Generation Unit exists and is in compliance with RES Regulations and Commission-approved Aggregation Agreement.  Yes  No
- Meter reading procedure that allows the Verifier to verify these readings (manual or remote, via the aggregators own system or an independent system) in a manner fully compliant with NEPOOL GIS Operating Rules regarding metering.  Yes  No
- Specifying how generation data will be entered into NEPOOL GIS to create Certificates.  Yes  No
- Documenting a procedure to verify independently that the GIS Certificates created for the aggregation are consistent with the meter readings.  Yes  No
- Correcting discrepancies in NEPOOL GIS Certificate generation identified by the Verifier.  Yes  No

Comments: N/A

B.2.6 Aggregation Agreement provides an adequate description of how the Verifier will be compensated for its services by the aggregator (in no instance is the Verifier is compensated in a manner linked to the number of NEPOOL GIS Certificates created by the aggregation).  Yes  No  
Comments: N/A

C. Generation Unit Location (see appropriate Sections of RES Regulations, Application Section 5 and Appendix E):

C.1 Generation Unit is located in NEPOOL Control Area.  Yes  No  
Comments: 2908 Shibley Road, Lyonsdale, NY 13368

C.1.1 Generation Unit is located in Rhode Island.  Yes  No  
Comments:

C.2 Generation Unit is located in a control area adjacent to NEPOOL and, in accordance with Section 5.1.ii of the RES Regulations, will apply the associated Generation Attributes to the RES only to the extent that the energy produced by the Generation Unit is actually delivered into NEPOOL for consumption by New England customers.  Yes  No  
Comments: In appendix E of the application the applicant stated

“Northbrook Lyons Falls will send to the GIS administrator, every quarter, a report specifying:

- The quantity of energy sold and delivered in NEPOOL from the GD for that quarter
- The counter-party in NEPOOL
- And a confirmation that this energy was delivered under a unit-specific bilateral contract. “

An additional information request sent to the applicant requested more information regarding the current arrangement of the facility for import into the NEPOOL and the nature of the confirmation of power delivery and a unit-specific bilateral contract. The evidence provided included a copy of an ongoing Purchase Power Agreement which was satisfied the requirements by being A) Unit-specific B) Bilateral with a NEPOOL market participant (Blackstone Hydro). There was also a description of how the power is metered and delivery into the NEPOOL is confirmed. Therefore it appears the facility satisfies the requirements of 5.1(ii).

C.2.1 Applicant acknowledges that satisfactory documentation (i.e., a report from neighboring Generation Attribute accounting system or an affidavit) must be provided to verify that Generation Attributes from a Generation Unit located in a control area adjacent to NEPOOL have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Rhode

Island (such assurances may consist of a report from a neighboring Generation Attribute accounting system or an affidavit from the Generation Unit)  Yes  No

Comments:

C.2.2 Applicant acknowledges that energy delivered from such Generation Unit into NEPOOL will be verified by the following:

- A unit-specific bilateral contract for the sale and delivery of such energy into NEPOOL
- Confirmation from ISO that the energy was actually settled in the ISO Market Settlement System, and
- Confirmation through the North American Reliability Council tagging system that the import of the energy into NEPOOL actually occurred, or such other requirements as the Commission deems appropriate

Yes  No

Comments: See above

D. Eligible Fuel Source – Solar, Wind, Ocean Thermal, Geothermal, or Fuel Cell (using an eligible renewable resource) (*see appropriate Sections of RES Regulations and Application Section 2.4*):  Yes  No  N/A  
Comments:

E. Eligible Fuel Source – Small Hydro Facilities (*see appropriate Sections of RES Regulations and Application Sections 2.5-2.6*):  Yes  No  N/A

E.1 Aggregate capacity does not exceed 30 MW.  Yes  No  
Comments: 2.0 MW

E.2 If “New Renewable Energy Resource”, applicant acknowledges that facility does not involve any new impoundment or diversion of water with an average salinity of 20 parts per thousand or less.  Yes  No  
Comments: Run of river- no new impoundments

F. Eligible Fuel Source – Biomass Facilities (*see appropriate Sections of RES Regulations, Application Sections 2.7 and Appendix F*):  Yes  No  N/A

F.1 Generation Unit uses a biomass fuel source listed in RES Regulations Section 3.7.  Yes  No  
Comments: N/A

F.2 If source is other than RES Regulations Section 3.7-listed, said source has been designated as “clean wood”.  Yes  No  
Comments: N/A



F.3 Fuel Source Plan can reasonably be expected to ensure that only Eligible Biomass Fuels will be used, and in the case of co-firing ensure that only that proportion of generation attributable to an Eligible Biomass Fuel be eligible.  Yes  No  
Comments: N/A

F.3.1 Fuel Source Plan specifies the type of Eligible Biomass Fuel to be used.  Yes  No  
Comments: N/A

F.3.2 If proposed fuel is “clean wood”, Fuel Source Plan provides adequate substantiation as to why the fuel source should be considered a clean wood.  Yes  No  N/A  
Comments: N/A

F.3.3 In the case of co-firing with a fossil fuel, Fuel Source Plan includes an adequate description of how such co-firing will occur and how the relative amounts of Eligible Biomass Fuel and fossil fuel will be measured, and how the eligible portion of generation output will be calculated (with such calculations based on the energy content of the proposed fuels used).  Yes  No  N/A  
Comments: N/A

F.3.4 Fuel Source Plan includes an adequate description of what measures will be taken to ensure that only the Eligible Biomass Fuel is used (e.g., standard operating protocols or procedures that will be implemented at the Generating Unit, contracts with fuel suppliers, testing or sampling regimes).  Yes  No  
Comments: N/A

F.3.5 Fuel Source Plan includes adequate assurance that the fuels stored at or brought to the Generation Unit will only be Eligible Biomass Fuels or fossil fuels used for co-firing.  Yes  No  
Comments: N/A

F.3.6 If proposed fuel includes recycled wood waste, Fuel Source Plan provides adequate documentation to ensure that such fuel meets the definition of Eligible Biomass Fuel and also meets material separation, storage, or handling standards acceptable to the Commission and furthermore consistent with the RES Regulations.  Yes  No  N/A  
Comments: N/A

F.3.7 Applicant certifies that it will file all reports and other information necessary to enable the Commission to verify the on-

going eligibility of the renewable energy generators pursuant to Section 6.3 of the RES Regulations.

Yes  No  N/A

Comments: N/A

F.3.8 A copy of the Generation Unit's Valid Air Permit or equivalent authorization has been attached and the effective date and issuing state or jurisdiction has been identified.

Yes  No  N/A

Comments: N/A

G. Other Comments/Observations: Additional information provided by the applicant in response to supplemental information request.