

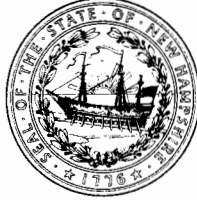
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THE STATE OF NEW HAMPSHIRE

CHAIRMAN
Martin P. Honigberg

COMMISSIONERS
Robert R. Scott
Kathryn M. Bailey

EXECUTIVE DIRECTOR
Debra A. Howland



PUBLIC UTILITIES COMMISSION

21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX (603) 271-3878

Website:
www.puc.nh.gov

April 14, 2017

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

His Excellency and Honorable Councilors:

REQUESTED ACTION

Authorize the New Hampshire Public Utilities Commission (Commission) to award grant funds in the amount of \$173,000 to Contoocook Hydro LLC, vendor number pending, to reactivate and upgrade the Bell Mill Hydroelectric site in Peterborough, New Hampshire from Governor and Council approval through June 30, 2018. Funding is 100% Renewable Energy Funds, a non-lapsing special fund continually appropriated to the Commission pursuant to RSA 362-F:10.

02-81-81-811510-54540000 Renewable Portfolio Standard 362-F:10

	FY2017	Total
010-081-54540000-073-500579 Grants to Institutions – State	\$173,000.00	\$173,000.00

EXPLANATION

Pursuant to RSA 362-F:10, the Commission is charged with administering the Renewable Energy Fund (REF), the purpose of which is to support thermal and electrical renewable energy initiatives. On September 30, 2016, the Commission issued a Request for Proposals (RFP) pursuant to RSA 362-F:10 XI that requires the Commission to issue, on an annual basis, an RFP for renewable energy projects in the commercial and industrial sectors funded by grants from the REF.

The Commission received seven (7) proposals requesting a total of approximately \$1.9 million in funds in response to the RFP. Contoocook Hydro LLC and five (5) others have been selected to receive a total of \$1,272,425 in this funding round. Attachment A provides additional information on the grant review and award process and Attachment B provides a summary of all 2016 competitive grant awards.

With these funds, Contoocook Hydro will reactivate and upgrade the Bell Mill Hydroelectric site in Peterborough New Hampshire. The project will include rewiring of the plant, installation of a new variable-speed hydroelectric generator system, and installation of new equipment necessary to reconnect to the distribution grid. The project's technical and funding details are described in Attachment C, Project Specific Facts and Figures.

The grant is contingent on sufficient REF funds being available upon the effective date of the grant agreement. These funds have already been allocated to this RFP round, and are being held in the fund. In the event that the REF funds are insufficient or are no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Martin P. Honigberg
Chairman

Attachments:

Agreement with Exhibits

Attachment A - 2016 Grant Review Process

Attachment B - Table of 2016 REF Grant Awards

Attachment C- Project Specific Facts and Figures

ATTACHMENT A – 2016 GRANT REVIEW PROCESS

The Public Utilities Commission (PUC) issued a Request for Proposals (RFP) on September 30, 2016 for renewable energy projects in the commercial and industrial sectors which would be eligible to generate Class I, Class I Thermal, or Class IV renewable energy certificates (RECs). The RFP was generally similar to that issued in the prior year. The RFP required that the project create certain classes of renewable energy certificates, which would be available for use by electricity providers for compliance with the renewable portfolio standard requirements in New Hampshire. Pursuant to RSA 362-F:10, the RFP is funded with monies from the Renewable Energy Fund and issued on an annual basis.

The RFP was widely circulated electronically to members of the Energy Efficiency and Sustainable Energy Board (EESSE Board), regular attendees at EESSE Board meetings, additional stakeholders known to have an interest in energy policy and programs, the Granite State Hydropower Association, and the NH Municipal Association. The RFP was posted on the PUC website for the full submission period, and was advertised in the New Hampshire Union Leader on October 3, 4, and 5, 2016. All responses were due by October 28, 2016. The Commission received seven (7) proposals requesting a total of \$1.87 million in grant funds for projects with a combined estimated project value of \$8.79 million.

The PUC employed a two-tier grant review process to evaluate the proposals. The initial review team consisted of three members including Stephen Eckberg (PUC Sustainable Energy Division), Joe Fontaine (DES Air Resources Division) and Rick Minard (NH Office of Energy and Planning)¹. The second tier review team consisted of Public Utilities Commissioners including: Chairman Martin Honigberg; Commissioner Robert Scott; and Commissioner Kathryn Bailey.

The initial review team scored all proposals using the scoring criteria set forth in the RFP and those requirements set forth in NH Code of Administrative Rules Puc 2508.02 (b) and (c). The team scored all proposals using the pre-published scoring criteria developing a score for each from 0-100 points. Following the initial scoring, the team interviewed six (6) applicants. The review team assigned values for the factors outlined in the RFP which resulted in the final scores; ranks; and funding recommendations.

The initial review team met with the Commissioners to brief them on the committee's recommendations. The Commissioners were provided with project descriptions for those projects recommended for funding and had an opportunity to ask questions of members of the initial review team. The Commissioners approved the review team's recommendations to award grant funds for six (6) renewable energy projects totaling \$1,272,425.

¹ Oversight was provided by Karen Cramton, Director of the PUC's Sustainable Energy Division.

Attachment B

Proposed Renewable Energy Project Competitive Grant Awards 2016

	Town/City	Technology (Capacity)	Total Project Costs	Proposed Grant Funding	Annual Renewable Energy Credits & Type	Cost Effectiveness (Grant \$ / 10yrs-REC)	Contract End Date
Sugar River Power, LLC	Claremont	Hydro Electric (1,350 kW)	\$739,425	\$169,425	5,418 Class IV (or Class I)	\$3.13	6/30/2018
University of New Hampshire	Durham	Biomass Thermal	\$1,260,000	\$300,000	1,600 Class I Thermal	\$18.75	6/30/2018
Bantam Realty Trust, L.L.C.	Keene	Biomass Thermal	\$330,700	\$150,000	756 Class I Thermal	\$19.79	6/30/2018
Jaffrey-Rindge Cooperative School District (SAU 47)	Jaffrey	Biomass Thermal	\$800,000	\$280,000	1,125 Class I Thermal	\$33.33	6/30/2018
Contoocook Hydro, LCC	Peterborough	Hydro Electric (100 kW)	\$259,250	\$173,000	710 Class IV (or Class I)	\$24.37	6/30/2018
Merrimack County	Boscawen	Biomass Thermal	\$2,717,415	\$200,000	2,784 Class I Thermal	\$7.18	6/30/2018
TOTAL			\$6,106,790	\$1,272,425			

Attachment C

Contoocook Hydro, LLC / Bell Mill Hydro Facts and Figures

Contoocook Hydro, LLC will reclaim and reactivate the previously decommissioned hydro-electric generation facility located on the historic site of the Old Bell Factory in Peterborough, NH. The facility, called Bell Mill Hydro, will be interconnected to the local distribution grid. Through long-term leases with the current owners of the property to restore and operate the hydro facility, Contoocook Hydro will replace existing equipment with a New Hampshire-built patent-pending, variable speed, double-regulated, GoHydro propeller turbine. This innovative design uses proven technology to increase capacity and lower costs, and serves as a pilot project for replication at other non-generating dam sites.

Technical Specifications:

Nameplate Rating: 100 kW variable speed GoHydro turbine that will operate 81% of the time.

Grant Cost Effectivenessⁱ : \$24.37/REC

Funding Analysis:

Total Project Cost: \$259,250
Leveraged Funds: \$86,250
Grant Amount: \$173,000 (approximately 67% of total project cost)
Payback Periodⁱⁱ: 3.7 (based on Total Project Cost and Generation Value)
1.4 years (based on Leveraged Funds and Generation Value)

Financial and Environmental Benefits:

Energy Generation: 710,000 kilowatt hours per year
Generation Valueⁱⁱⁱ: \$70,929 per year
Cost Savings: per kWh savings for PPA customer.
Life Expectancy: 20+ years
CO₂ Avoided: 259 tons/year

Renewable Portfolio Standard RSA 362-F:1 Criteria:

- Generates 710 Class IV (or Class I) renewable energy certificates (RECs) per year
- Supports fuel diversity
- Keeps energy dollars in state
- Project is employing local firms, contractors, and manufacturers
- Demonstration project for New Hampshire designed and built turbine system
- Demonstration project of higher efficiency turbine system with potential to expand energy production of non-generating dams in New Hampshire
- Reduces the amount of greenhouse gases, nitrogen oxides and particulate matter emissions; thereby improving air quality and public health

Attachment C
Contoocook Hydro, LLC / Bell Mill Hydro
Facts and Figures

Transmission and Distribution:

Transmission:

The system will be interconnected to the grid and will use transmission and distribution equipment. The cost of any required upgrades due to interconnection will be the responsibility of the facility owner.

Distribution:

The Commission's rules provide that:

A distribution utility may perform an annual calculation to determine the net effect of net metering on its default service and distribution revenues and expenses in the prior calendar year. Pursuant to Puc 203, the commission shall determine by order, after notice and hearing, the utility-specific method of performing the calculation and applying the results, as well as a reconciliation mechanism to collect or credit any such net effects with appropriate carrying charges and credits applied. (N.H. Code Admin. Rules Puc 903.02(o))

This rule is intended to implement RSA 362-A:9, VII, which provides that:

A distribution utility may perform an annual calculation to determine the net effect this section had on its default service and distribution revenues and expenses in the prior calendar year. The method of performing the calculation and applying the results, as well as a reconciliation mechanism to collect or credit any such net effects with appropriate carrying charges and credits applied, shall be determined by the commission.

ⁱ The PUC used a metric defined as the grant amount divided by the total number of RECs over ten (10) years of energy production as a key criteria in evaluating and choosing grantees.

ⁱⁱ Simple payback calculated based only on total project costs (and leveraged funds) and generation value for ease of comparison among all project proposals. Eversource default energy service rate = \$0.0999/kWh as of 1/1/2016. This rate is comprised of \$0.0872 energy rate + \$0.0172 Merrimack Scrubber temporary cost recovery rate.

The State of New Hampshire and the Grantee hereby mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name Public Utilities Commission		1.2. State Agency Address 21 S. Fruit St., Suite 10, Concord NH 03301-2429	
1.3. Grantee Name Contoocook Hydro LLC		1.4. Grantee Address 581 Quaker St. Henniker NH, 03242	
1.5. Effective Date May 3, 2016	1.6. Completion Date June 30, 2017	1.7. Audit Date	1.8. Grant Limitation \$173,000
1.9. Grant Officer for State Agency Karen Cramton		1.10. State Agency Telephone No. 603-271-2413	
1.11. Grantee Signature <i>Lori Barg</i>		1.12. Name & Title of Grantee Signor Lori Barg, Manager	
1.13. Acknowledgment: State of <u>North Carolina</u> , County of <u>Carteret</u> , on <u>4/3/2017</u> , Before the undersigned officer, personally appeared the person identified in block 1.11, known to me (or satisfactorily proven) to be the person whose name is signed in block 1.11, and he acknowledged that he executed this document in the capacity indicated in block 1.12.			
1.14. Signature of Notary Public or Justice of the Peace <i>Layne M Helwig</i>			
1.15. Name and Title of Notary Public or Justice of the Peace LAYNE M HELWIG, NOTARY Public			
1.14. State Agency Signature(s) <i>Martin P. Honigberg</i>		1.15. Name & Title of State Agency Signor(s) Martin P. Honigberg, Chairman	
1.16. Approval by Attorney General (Form, Substance and Execution)			
By: <i>[Signature]</i>		Assistant Attorney General, On: <u>4/19/17</u>	
1.17. Approval by the Governor and Council			
On: <u> 1 / 1 / </u>			

2. **SCOPE OF WORK:** In exchange for grant funds provided by the State of New Hampshire, acting through the agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT A (the scope of work being hereinafter referred to as "the Project"). Except as otherwise specifically provided for herein, the Grantee shall perform the Project in the State of New Hampshire.

Initials LDB
Date 4/3/17

3. EFFECTIVE DATE; COMPLETION OF PROJECT.

3.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date in block 1.5 or on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire whichever is later (hereinafter referred to as "the effective date").

3.2. Except as otherwise specifically provided for herein, the Project, including all reports required by this Agreement, shall be completed in its entirety prior to the date in block 1.6 (hereinafter referred to as "the Completion Date").

4. GRANT AMOUNT; MANNER OF PAYMENT; LIMITATIONS.

4.1. The Grant Amount is identified and more particularly described in EXHIBIT B, attached hereto.

4.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT B.

4.3. In accordance with the provisions set forth in EXHIBIT B, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 4.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.

4.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.

4.5. Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the Grant limitation set forth in block 1.8 of these general provisions.

5. SPECIAL CONDITIONS. Modifications to these General Conditions and any additional grant conditions shall be set forth in Exhibit C attached hereto.

6. COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS. In connection with the performance of the Project, the Grantee shall comply with all applicable statutes, regulations, and orders of federal, state, county, or municipal authorities that impose any legal obligations or duty upon the Grantee, including the acquisition of any and all necessary permits.

7. RECORDS AND ACCOUNTS.

7.1. Between the Effective Date and the date seven (7) years after the Completion Date the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.

7.2. Between the Effective Date and the date seven (7) years after the Completion Date, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these general provisions.

8. PERSONNEL.

8.1. The Grantee shall, at its own expense, contract for or provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.

8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who is a State officer or employee, elected or appointed.

8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.

9. DATA; RETENTION OF DATA; ACCESS.

9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs or data, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.

9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State, unless otherwise specified in Exhibit C.

10. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.

11. EVENT OF DEFAULT; REMEDIES.

11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):

11.1.1. failure to perform the Project satisfactorily or on schedule; or

11.1.2. failure to submit any report required hereunder; or

11.1.3. failure to maintain, or permit access to, the records required hereunder; or

11.1.4. failure to perform any of the other covenants and conditions of this Agreement.

11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

11.2.1. give the Grantee a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Grantee notice of termination; and

11.2.2. give the Grantee a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Grant Amount which would otherwise accrue to the grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and

11.2.3. set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and

11.2.4. treat the agreement as breached and pursue any of its remedies at law or in equity, or both.

12. TERMINATION.

12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination.

12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.

12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.

12.4. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.

13. CONFLICT OF INTEREST. No representative, officer, member or employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

14. GRANTEE'S RELATION TO THE STATE. In the performance of this Agreement the Grantee, its employees, and any contractor, subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its representatives, officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, worker's compensation or emoluments provided by the State to its employees.

15. ASSIGNMENT AND SUBCONTRACTS. The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State.

16. INDEMNIFICATION. The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses

Initials LDB
Date 4/3/17

suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or its contractors, subcontractor, or subgrantee or other agent of the Grantee in the performance of the Project. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.

17. INSURANCE AND BOND.

- 17.1. The Grantee shall, at its sole expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 statutory worker's compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 comprehensive general liability insurance for all claims of bodily injuries, death or property damage, in amounts not less than \$2,000,000 for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and

- 17.2 The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than ten (10) days after written notice thereof has been received by the State. A certificate of insurance demonstrating compliance with subparagraphs 17.1 and 17.2 shall be attached to this Grant Agreement.
18. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure or waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
19. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses first above given.
20. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire.
21. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
22. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
23. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.

Initials LOB
Date 9/3/17

EXHIBIT A

SCOPE OF SERVICES

In exchange for receiving grant funds in the amount of up to \$173,000 from the New Hampshire Public Utilities Commission (PUC), Contoocook Hydro LLC (Grantee) agrees to rebuild and reactivate the 100 kW hydroelectric generating station identified as the Bell Mill Hydroelectric Facility located in Peterborough, NH. Specifically, Grantee agrees to:

1. Replace the existing equipment comprising the Bell Mill hydroelectric generating station on the Nubanusit Brook in Peterborough, NH.
2. Perform electrical and mechanical upgrades to the facility necessary for full operation including: replacing the Project's turbine, generator, and controls.
3. Install ancillary electric equipment as required to interconnect to the local electric distribution grid.
4. Maintain the system and system components as recommended by the manufacturer and engineering specifications.
5. Provide the PUC with reports and status updates as specified below in the section regarding "Deliverables."
6. Submit a complete application to the PUC for the hydroelectric dam's full electrical capacity to become eligible to produce New Hampshire renewable energy certificates (RECs).
7. Market the RECs to electricity providers in New Hampshire for compliance with the state's renewable portfolio standard law, RSA 362-F.
8. Acknowledge the Renewable Energy Fund as a source of funds used for the project in any literature, press release, or public discussion of the project.

Except as otherwise provided in this contract, the requirements set forth in the PUC's Request for Proposals issued September, 30, 2016 and Grantee's Proposal dated October, 27, 2016 are incorporated herein by reference as further defining the scope of services to be rendered by Grantee.

Grantee Initials LDB
Date 4/13/17
Page 1 of 2

DELIVERABLES

The Grantee agrees to prepare and submit written progress reports to the PUC, in a form and manner prescribed by the PUC, and to participate in monthly status update meetings or conference calls prior to the project completion date. The written progress reports shall meet the following specifications:

Report Type	Reporting Period	Due Date	Scope of Report
Report #1	Through 6/30/2017	8/1/2017	Project progress, development & construction, significant accomplishments.
Report #2	7/1/2017 – 9/31/2017	11/1/2017	Same as above.
Report #3	10/1/2017 – 12/31/2017	2/1/2018	Same as above.
Report #4	1/1/2018 – 3/31/2018	5/1/2018	Same as above.
Report #5	4/1/2018 – 6/30/2018	8/1/2018	Same as above.
Annual Report	Calendar Years 2017 - 2027	2/1/yyyy	Use annual report template to report energy and REC production results and other relevant accomplishments.

All written reports submitted after the renovation, interconnection, and operation of the Hydroelectric facility shall include, at a minimum, the following:

1. The quantity of electric energy produced (in kilowatt-hours generated) during the preceding calendar year;
2. The number of RECs produced during the preceding calendar year; and
3. The number of RECs sold during the preceding calendar year.

Grantee Initials LDB
 Date 4/13/17
 Page 2 of 2

EXHIBIT B

GRANT AMOUNT, TERMS AND METHODS OF PAYMENT

1. This grant agreement commences upon approval by Governor and Executive Council and concludes on June, 30, 2018.
2. In consideration of the satisfactory performance of the obligations described in Exhibit A as determined by the State, the State agrees to pay an amount not to exceed \$173,000 to Contoocook Hydro LLC(Grantee), pursuant to the terms and conditions specified in this Exhibit B.
3. Grantee shall not be paid any grant funds under the grant agreement unless and until all of the following have occurred by the target dates specified:

Receipt of all state and local permits, licenses, consents, and approvals required for construction, installation and operation of the project (excluding final permission to interconnect from Eversource)	August 31, 2017
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Grantee shall use reasonable best efforts to achieve the foregoing milestones by the dates set forth in the table above. The Commission may extend any of such specified dates for good cause shown upon written request by Grantee.

4. Grantee's reimbursement requests shall cover only the costs of materials and equipment delivered to the project site and incorporated into or to be incorporated into the project and only labor costs directly related to the design, construction and installation of the project. Grantee's reimbursement requests shall not include the costs of any deposits or prepayments for equipment or materials ordered or procured for the project unless and until such equipment and materials are delivered to the project site and incorporated into or for incorporation into the project.
5. Grantee may submit reimbursement requests to the PUC, with full supporting documentation, as obligations described in Exhibit A have been met and subject to the conditions stated in paragraphs 3 and 4 above. Reimbursement requests shall be submitted not more frequently than once per month. The amount of \$17,300 will be retained until the project is complete and shall be paid to Grantee only when each of the following has occurred:
 - (i) the project has been fully constructed and installed,
 - (ii) the project has been successfully interconnected with the electric distribution system,
 - (iii) the project has commenced commercial operation,
 - (iv) Grantee has submitted a complete application to the PUC for certification of eligibility of the project to produce Class I or Class IV RECs.

Grantee shall be responsible for any project expenses incurred that exceed the total grant amount or are not eligible for reimbursement under this Exhibit B.

6. Each reimbursement request shall provide a detailed listing of project expenses incurred with supporting documentation. Grantee shall document all project expenditures for which

Grantee Initials LDL
Date 4/3/17
Page 1 of 2

reimbursement is requested with appropriate back-up documentation, including, but not limited to, receipts, invoices, bills, and other similar documents for all vendors, contractors, and subcontractors. This includes expenses incurred by subcontractors employed on construction projects funded through the grant. At a minimum, receipts must be provided documenting labor cost, equipment cost, material cost, site work, engineering and permitting fees, and capital expenditures for all vendors, contractors and subcontractors.

7. Reimbursement requests shall be reviewed for compliance with the scope of services set forth in Exhibit A, and the reimbursement terms and conditions of this Exhibit B, and approved by the Director of the Sustainable Energy Division or her designee.
8. Grantee agrees to provide economic data, to the extent possible, for activity performed during construction and operation of the project and after completion of the project. Such data shall include the total jobs created as a result of the development and operation of the project.
9. The State agrees to make payment to the Grantee within 30 days after the approval of reimbursement requests submitted in compliance with this Exhibit B and the grant agreement General Provisions.
10. All obligations of the State under the grant agreement, including the continuance of any payments, are contingent on the availability of funds derived from the Renewable Energy Fund established and existing pursuant to RSA 362-F:10.

Grantee Initials LOB
Date 4/3/17
Page 2 of 2

EXHIBIT C

SPECIAL PROVISIONS

1. In lieu of the insurance requirements set forth in Paragraph 17.1.2 of the General Provisions, the Commission will accept comprehensive general liability insurance in the following amounts:

\$1,000,000 for each occurrence
\$ 300,000 for damage to rented premises (each occurrence)
\$ 5,000 for medical expenses (any one person)
\$1,000,000 for personal and advertising injury
\$2,000,000 for general aggregate
\$2,000,000 for products liability/completed operations in aggregate

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CONTOOCOOK HYDRO LLC is a New Hampshire Limited Liability Company registered to transact business in New Hampshire on March 12, 2008. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 592919



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 10th day of April A.D. 2017.

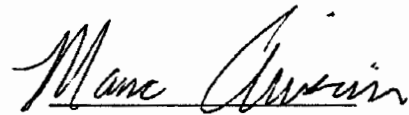
A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

Certificate of Vote

At a duly authorized meeting of the Board of Directors of Contoocook Hydro LLC. (the "Company"), held on April 10, 2017, it was voted that Lori Barg, the shareholder, agent, and President of the Company, shall be and hereby is authorized to execute contracts and bonds in the name of and on behalf of the Company; and such execution of any contract or obligation in the Company's name on its behalf by such officer under seal of the Company, shall be valid and binding upon this Company. I hereby certify that I am the clerk of this Company and that Lori Barg is the duly elected officer as stated above of the Company. This vote has not been amended or rescinded and remains in full force and effect as of the date signed below.

Date: April 10, 2017

A handwritten signature in cursive script, reading "Marc Aucoin", written over a horizontal line.

Secretary: Marc Aucoin



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/07/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Avid Insurance Agency, Inc. 425 New Karner Rd. Albany NY 12205-		CONTACT NAME: PHONE (A/C, No. Ext): (518) 869-8106 FAX (A/C, No.): (518) 869-8525 E-MAIL ADDRESS: astankus@avidins.com	
INSURED Steels Pond Hydro Contoocook Hydro LLC 113 Bartlett Road Plainfield VT 05667-9658		INSURER(S) AFFORDING COVERAGE INSURER A: Central Insurance INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			CLP9580493	/ /	/ /	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				04/18/2017	04/18/2018	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COM/OP AGG \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						\$
	AUTOMOBILE LIABILITY				/ /	/ /	COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO				/ /	/ /	BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS			/ /	/ /	BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS			/ /	/ /	PROPERTY DAMAGE (Per accident) \$
					/ /	/ /	\$
	UMBRELLA LIAB				/ /	/ /	EACH OCCURRENCE \$
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> OCCUR			/ /	/ /	AGGREGATE \$
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$	<input type="checkbox"/> CLAIMS-MADE			/ /	/ /	\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				/ /	/ /	WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A		/ /	/ /	E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below				/ /	/ /	E.L. DISEASE - EA EMPLOYEE \$
					/ /	/ /	E.L. DISEASE - POLICY LIMIT \$
					/ /	/ /	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: Bell Mill
Subject to the conditions and exclusions of the policies.

CERTIFICATE HOLDER

CANCELLATION

() - () - NH Public Utilities Commission 21 S Fruit Street Suite 10 Concord NH 03301-2429	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Roger Saddlemyre</i>
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WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

TYPE AR INFORMATION PAGE WC 00 00 01 (A)

POLICY NUMBER: (6JUB-9910M64-5-17)

RENEWAL OF (6JUB-9910M64-5-16)

INSURER: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

NCCI CO CODE: 13579

1.

INSURED:

CONTOOCOOK HYDRO LLC
113 BARTLETT ROAD
PLAINFIELD VT 05667

PRODUCER:

KINNEY PIKE INSURANCE
42 MEADOW LANE
RANDOLPH VT 05060-4441

Insured is A LIMITED LIABILITY COMPANY

Other work places and identification numbers are shown in the schedule(s) attached.

2. The policy period is from 05-01-17 to 05-01-18 12:01 A.M. at the insured's mailing address.

3. A. WORKERS COMPENSATION INSURANCE: Part One of the policy applies to the Workers Compensation Law of the state(s) listed here:

NH

B. EMPLOYERS LIABILITY INSURANCE: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident: \$ 100000 Each Accident
Bodily Injury by Disease: \$ 500000 Policy Limit
Bodily Injury by Disease: \$ 100000 Each Employee

C. OTHER STATES INSURANCE: Part Three of the policy applies to the states, if any, listed here:

COVERAGE EXCLUDED - REFER TO RESIDUAL MARKET LIMITED OTHER STATES
INSURANCE ENDORSEMENT WC 00 03 26

D. This policy includes these endorsements and schedules:

SEE LISTING OF ENDORSEMENTS - EXTENSION OF INFO PAGE

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All required information is subject to verification and change by audit to be made ANNUALLY.



DATE OF ISSUE: 03-08-17 RP
OFFICE: ORLANDO IND AFF 887
PRODUCER: KINNEY PIKE INSURANCE

ST ASSIGN: NH

76RPJ



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

TYPE AR INFORMATION PAGE WC 00 00 01 (A)

POLICY NUMBER: (6JUB-9910M64-5-17)

CLASSIFICATION SCHEDULE:

CLASSIFICATIONS	CODE NO	PREMIUM BASIS ESTIMATED TOTAL ANNUAL REMUNERATION	RATES PER \$100 OF REMUNERATION	ESTIMATED ANNUAL PREMIUM
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SEE EXTENSION OF INFORMATION PAGE - SCHEDULE(S)

SIC-CODE: 4911 NAICS: 221118

	STANDARD
TOTAL ESTIMATED ANNUAL STANDARD PREMIUM \$	749
PREMIUM DISCOUNT	NONE
0900-28 EXPENSE CONSTANT	160
TERRORISM	5
CAT (OTHER THAN CERT ACTS OF TERRORISM)	2
TOTAL ESTIMATED PREMIUM	916
DEPOSIT AMOUNT DUE	916MP

A/R (WCIP) #

Minimum Premium: \$ 909

ST ASSIGN: NH

DATE OF ISSUE: 03-08-17 RP
OFFICE: ORLANDO IND AFF 887
PRODUCER: KINNEY PIKE INSURANCE 76RPJ