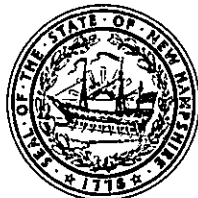


51 York

CHAIRMAN  
Martin P. Honigberg

COMMISSIONERS  
Kathryn M. Bailey  
Michael S. Giaimo

EXECUTIVE DIRECTOR  
Debra A. Howland



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

Tel. (603) 271-2431

FAX (603) 271-3878

Website:  
www.puc.nh.gov

**PUBLIC UTILITIES COMMISSION**  
21 S. Fruit Street, Suite 10  
Concord, N.H. 03301-2429

May 1, 2019

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 \$450,000 to Froling, LLC, d/b/a Froling Energy, Vendor #271580, to install and operate a wood chip biomass steam boiler and electricity cogeneration system at their future business location from Governor and Council approval through September 30, 2020. 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

	FY2019	FY2020	Total
010-081-54540000-073-500579 Grants to Institutions – State	\$ 50,000	\$400,000	\$450,000

**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 October 1, 2018, the Commission issued a Request for Proposals (RFP) #2018-006 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 three (3) proposals requesting a total of \$1.412 million in funds in response to the RFP. Froling, LLC, and one (1) other have been selected to receive a total of \$950,000 in this funding round. Attachment A provides additional information on the grant review and award process, and Attachment B provides a summary of all 2018 commercial and industrial competitive grant awards.

G&C 5/15/2019  
Initials MBH  
Date 4/22/19

With these funds, Froling, LLC, will install and operate a wood chip biomass steam boiler and electricity cogeneration system at their future business location. The system will provide heat to dry wood chips at their processed dry chip (PDC) manufacturing facility, and will also generate electricity with the steam produced. The electricity will be used on-site to offset the company's energy purchases with the excess exported to the local electric 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 - 2018 Commercial & Industrial Grant Review Process

Attachment B - Table of 2018 Renewable Energy Fund Commercial & Industrial Grant Awards

Attachment C- Project Specific Facts and Figures

## **ATTACHMENT A – 2018 COMMERCIAL & INDUSTRIAL GRANT REVIEW PROCESS**

The Public Utilities Commission (PUC) issued a Request for Proposals (RFP) on October 1, 2018, 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, RFP 18-006, was generally similar to that issued in the prior year. The RFP required that the project create certain classes of RECs, 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 (ESEE Board), regular attendees at ESEE Board meetings, additional stakeholders known to have an interest in energy policy and programs, the Granite State Hydropower Association, and the New Hampshire 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 4, 5, and 6, 2018. All responses were due on October 31, 2018. The Commission received three (3) proposals requesting a total of \$1.412 million in grant funds for projects with a combined estimated project value of \$7.762 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 Matthew Mailloux (New Hampshire Office of Strategic Initiatives). The second tier review team consisted of Public Utilities Commissioners including: Chairman Martin Honigberg, Commissioner Kathryn Bailey, and Commissioner Michael Giaimo. The RFP and proposal review was overseen by Karen Cramton, Director of the Sustainable Energy Division.

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. As part of the scoring process, the team interviewed all three (3) proposals. 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 review team's recommendations. The Commissioners were provided with project descriptions for those projects recommended for funding and had an opportunity to ask questions. The Commissioners approved the review team's recommendations to award grant funds for two (2) renewable energy projects totaling \$950,000.

**Attachment B**  
**Proposed Renewable Energy Projects for Competitive C&I Grant Awards 2018**

<b>Grantee</b>	<b>Town/City</b>	<b>Technology</b>	<b>Total Project Costs</b>	<b>Proposed Grant Funding</b>	<b>Annual Renewable Energy Certificates (REC) &amp; Class</b>	<b>Cost Effectiveness (Grant \$ per 10-yrs-REC)</b>	<b>Contract End Date</b>
Burgess BioPower, LLC	Berlin	Biomass Thermal Heat Recovery	\$4,000,000	\$500,000	15,371 Class I Thermal	\$3.25	12/31/2020
Froling, LLC	Peterborough	Biomass Thermal Heating and Electric Generation	\$1,077,300	\$450,000	4,421 Class I Thermal	\$10.00	12/31/2020
<b>TOTAL</b>			<b>\$5,077,300</b>	<b>\$950,000</b>			

## Attachment C

# Froling, LLC Generation of Renewable Thermal Energy and Electricity to Expand Production of Processed Dry Chip with Wood Chip Fired Steam Boiler Project Facts and Figures

Froling, LLC, located in Peterborough, is a supplier and installer of European-made boilers specifically designed to burn processed dry chip (PDC) and pellet fuel. Froling also produces and delivers PDC fuel to clients in New Hampshire and Vermont. With this project, Froling will install a steam boiler which will primarily provide process heat for expanded production of PDC fuel. Froling will also install a steam turbine which will generate electricity using the thermal output of the boiler.

**Technical Specifications:** Schmid Model USTR 2 MW wood chip fired boiler operating at  $\approx 5.4$  MMBTUH to produce heat needed for production of PDCs and paired with a back-pressure steam turbine and 100 kW electric generator.

Nameplate Rating: 2MW wood chip steam boiler attached to 100 kW steam turbine generator will produce estimated 4,421 Class I Thermal RECs and 295,000 kWh of electricity annually.

**Grant Cost Effectiveness<sup>i</sup>:** \$10.00 / REC

### Funding Analysis:

Total Project Cost:	\$1,077,300
Leveraged Funds:	\$ 627,300
Grant Amount:	\$ 450,000 (approximately 42% of total project cost)
Payback Period <sup>ii</sup>	7.7 years (based on Total Project Cost, REC and Electric Value)
	4.5 years (based on Leveraged Funds, REC and Electric Value)
	3.2 years (based on Grant Amount, REC and Electric Value)

### Financial and Environmental Benefits:

Energy Generation:	4,421 Class I Thermal RECs (Thermal equivalent of $\approx 87,000$ gallons of #2 fuel oil and 295,000 kWh electricity generation annually)
Generation Value <sup>ii</sup> :	\$110,525 (RECs) + \$ 28,600 (electricity) = \$139,125 annually
Life Expectancy:	30+ years
CO <sub>2</sub> Avoided:	1,100 tons/year

### Renewable Portfolio Standard RSA 362-F:1 Criteria:

- Generates 4,421 Class I Thermal renewable energy certificates (RECs) per year
- Generates  $\approx 295,000$  kWh electricity annually
- Supports local economic development, keeps energy dollars in state
- Reduces the amount of greenhouse gases, nitrogen oxides and particulate matter emissions which would otherwise be generated if the project used fuel oil; thereby improving air quality and public health

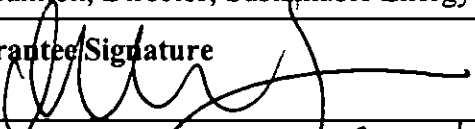
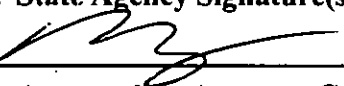
<sup>i</sup> The PUC used a metric defined as the grant amount divided by the total number of RECs over ten (10) years of energy production as a key criterion in evaluating and selecting grantees.

<sup>ii</sup> Simple payback calculated based only on total project costs (and leveraged funds) and value of RECs and electricity generation for ease of comparison among all project proposals. Current Alternative Compliance Payment (ACP) value of one Class I Thermal REC  $\approx$  \$25; therefore, 4,421 RECs / year = \$110,525.

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

GENERAL PROVISIONS

1. Identification and Definitions.

<b>1.1. State Agency Name</b> Public Utilities Commission		<b>1.2. State Agency Address</b> 21 S. Fruit St., Suite 10, Concord NH 03301-2429	
<b>1.3. Grantee Name</b> Froling LLC d/b/a Froling Energy		<b>1.4. Grantee Address</b> 590 Hancock Rd. Peterborough, NH 03458	
<b>1.5. Effective Date</b> May 15, 2019	<b>1.6. Completion Date</b> September 30, 2020	<b>1.7. Audit Date</b>	<b>1.8. Grant Limitation</b> \$450,000
<b>1.9. Grant Officer for State Agency</b> Karen Cramton, Director, Sustainable Energy		<b>1.10. State Agency Telephone No.</b> 603-271-2413	
<b>1.11. Grantee Signature</b> 		<b>1.12. Name &amp; Title of Grantee Signor</b> Mark Froling, President, 603-924-1001	
<b>1.13. Acknowledgment:</b> State of <u>New Hampshire</u> County of <u>Hillsborough</u> , on <u>4/17/2019</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 1.12., and acknowledged that <u>he</u> executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> (Seal) <u>Barbara Anne Meakin</u>			
<b>1.13.2. Name and Title of Notary Public or Justice of the Peace</b> <u>Barbara Anne Meakin NP</u>		BARBARA ANNE MEAKIN, Notary Public My Commission Expires October 1, 2019	
<b>1.14. State Agency Signature(s)</b> 		<b>1.15. Name &amp; Title of State Agency Signor(s)</b> Martin P. Honigberg, Chairman	
<b>1.16. Approval by Attorney General (Form, Substance and Execution)</b> By: <u>[Signature]</u> Assistant Attorney General, On: <u>4/18/2019</u>			
<b>1.17. Approval by the Governor and Council</b>  On: <u>  /  /  </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.

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 MF 4-17-19

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.



## EXHIBIT A

### SCOPE OF SERVICES

In exchange for receiving grant funds in the amount of up to \$450,000 from the New Hampshire Public Utilities Commission (PUC), Froling LLC d/b/a Froling Energy (Grantee) agrees to build and activate a biomass fired steam boiler and steam turbine electric generator system at their future New Hampshire business location and dry chip manufacturing facility (hereinafter "future business location"). Specifically, Grantee agrees to:

1. Install and operate a wood chip biomass steam boiler and steam turbine electric generator system at the Company's future business location. The steam boiler will provide thermal energy to increase the Company's capacity to manufacture processed dry chips (PDCs) and will also produce electricity via a newly installed steam turbine generator to offset electric usage on-site.
2. Perform electrical and mechanical upgrades to the facility as necessary.
3. Maintain the system and system components as recommended by the manufacturer and engineering specifications.
4. Provide the PUC with reports and status updates as specified below in the section regarding "Deliverables."
5. Submit an application, deemed complete by the PUC, for the biomass boiler's thermal output capacity to become eligible to produce renewable energy certificates (RECs).
6. Market the RECs to electricity providers in New Hampshire for compliance with the state's renewable portfolio standard law, RSA 362-F.
7. 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, #18-006, issued October 1, 2018, and Grantee's Proposal dated October 31, 2018, and Froling President Mark Froling's April 15, 2019 letter to the PUC, are incorporated herein by reference as further defining the scope of services to be rendered by Grantee.

Grantee Initials MF  
Date 4-17-19  
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 9/31/2019	11/1/2019	Project progress, development & construction, significant accomplishments.
Report #2	10/1/2019 – 12/31/2019	2/1/2020	Same as above.
Report #3	1/1/2020 – 3/31/2020	5/1/2020	Same as above. *
Report #4	4/1/2020 – 6/30/2020	8/1/2020	Same as above. *
Report #5	7/1/2020 – 9/30/2020	11/1/2020	Same as above *
Annual Report	Calendar Years 2020 - 2028	2/1/yyyy	Use annual report template to report energy and REC production results and other relevant accomplishments.
* if project installation is complete and operational by 9/30/2020 these quarterly reports not needed. Switch to annual report.			

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

1. The quantity of thermal energy produced (in MMBTU and kilowatt-hour equivalent 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.
4. The total amount of energy (kWh) generated by the steam turbine generator and the amount used on-site and amount exported to the local energy distribution grid.

Grantee Initials MF

Date 4-17-19  
Page 2 of 2

**EXHIBIT B**

**GRANT AMOUNT, TERMS AND METHODS OF PAYMENT**

1. This grant agreement commences upon approval by the Governor and Executive Council, and concludes on September 30, 2020.
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 \$450,000 to Froling LLC d/b/a Froling Energy (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:

Grantee is purchasing property in New Hampshire and relocating its business location; accordingly Grantee shall complete transaction(s) necessary to secure ownership and site control at: property currently identified as 560 Main Street, Keene, NH from current owner City of Keene, or, in the alternative, property identified as 177 Sharon Road, Peterborough, NH. (hereinafter "future business location")	August 31, 2019
Receipt of all state and local permits, licenses, consents, and approvals required for construction and installation of project equipment at the future business location	April 1, 2020
Completion of any necessary electric utility interconnection upgrades at the future business location	April 1, 2020
Receipt of all necessary final inspections and state permits to install and operate steam boiler and steam turbine electric generator at the future business location	June 30, 2020

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 at the future business location 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 at the future business location and incorporated into the project, or delivered to the project site for incorporation into the project, or delivered and used at the project site for the purpose(s) obtained. Grantee shall not be reimbursed for any moving expenses associated with moving from its present business location to its future business location.

Grantee Initials MF

Date 4-17-19

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, and further consistent with the grant agreement General Provisions. Reimbursement requests shall be submitted not more frequently than once per month. The amount of \$45,000 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 commenced operation,
  - (iii) Grantee has submitted an application deemed complete by the PUC for certification of eligibility of the project to produce Class I Thermal 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 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. Each reimbursement request shall also include an express affirmation by the Grantee that it and the project remain in full compliance with all terms and conditions of the grant agreement, and either (i) an express affirmation that there have been no material changes in any rights (including but not limited to real property rights), interests, permits, licenses, or approvals, affecting the project since the most recent status report submitted to the PUC, or (ii) a description in reasonable detail of any such material changes in rights, interests, permits, licenses, or approvals, affecting the project since the most recent status report submitted to the PUC.
8. 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.
9. Grantee agrees to provide economic data (including but not limited to job creation data as a result of the development and operation of the project, to the extent possible) for activity performed during construction and operation of the project and after completion of the project.
10. The State agrees to make payment to the Grantee within 30 days after the approval of reimbursement requests as described in paragraph 7 above, and submitted in compliance with this Exhibit B and the grant agreement General Provisions.

Grantee Initials

MF

Date

4-17-19

Page 2 of 3

11. 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.

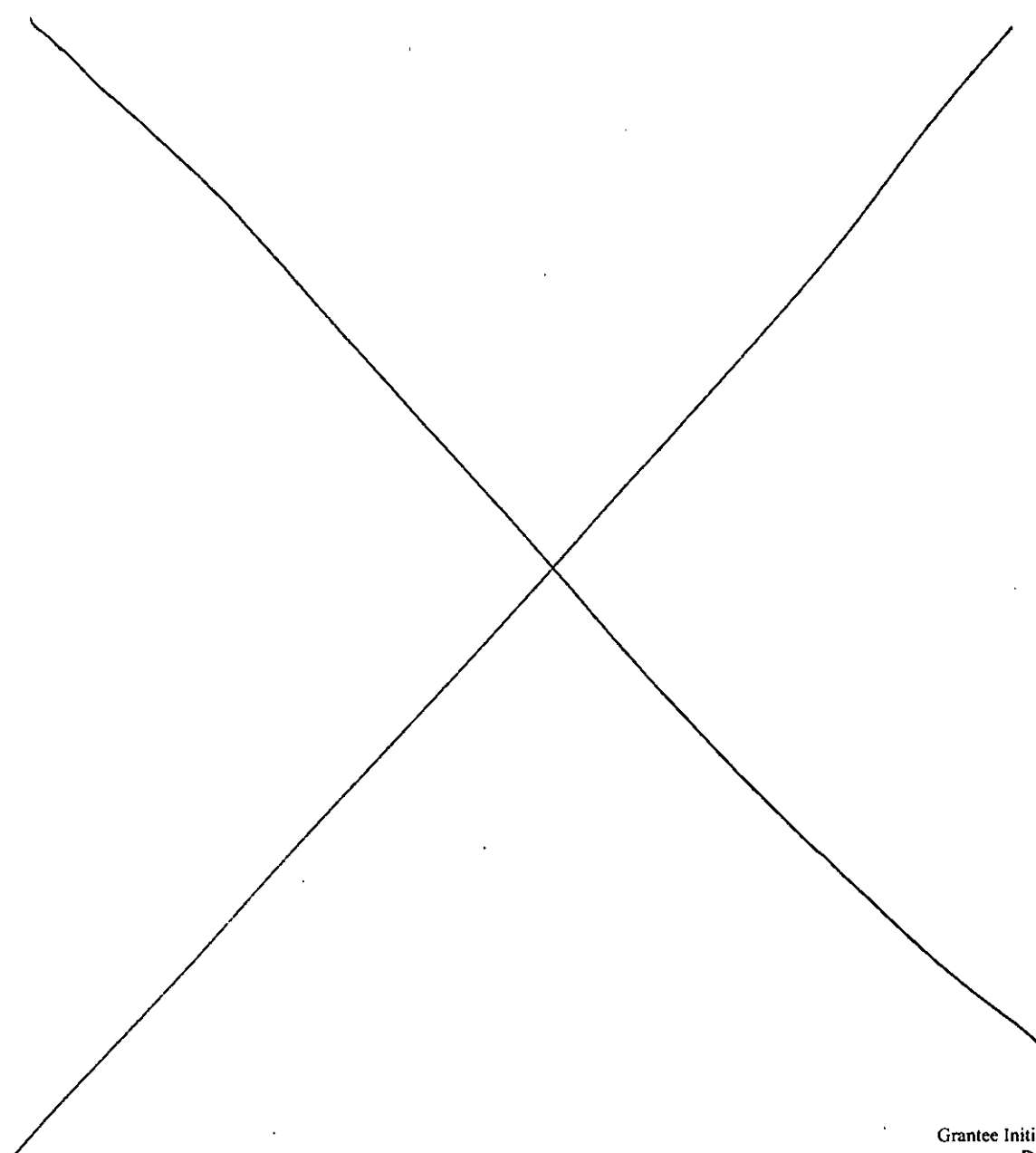
Grantee Initials MF  
Date 4-17-19  
Page 3 of 3

**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  
\$2,000,000 for general aggregate  
\$1,000,000 for personal and advertising injury  
\$2,000,000 for products completed operations aggregate



Grantee Initials MP  
Date 4-17-19  
Page 1 of 1

# State of New Hampshire

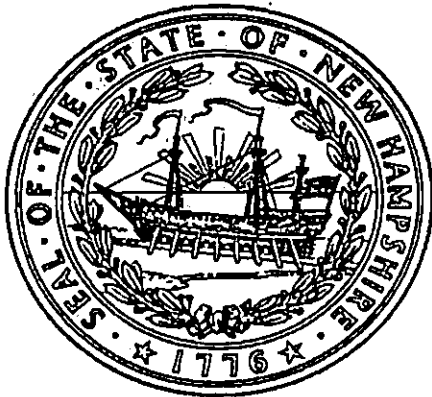
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FROLING LLC is a New Hampshire Limited Liability Company registered to transact business in New Hampshire on December 06, 2002. 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: 422609

Certificate Number: 0004361413



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 3rd day of January A.D. 2019.

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

William M. Gardner  
Secretary of State

# Business Information

## Business Details

Business Name: FROLING LLC	Business ID: 422609
Business Type: Domestic Limited Liability Company	Business Status: <b>Good standing</b>
Management Style: Member Managed	
Business Creation Date: 12/06/2002	Name in State of Formation: Not Available
Date of Formation in Jurisdiction: 12/06/2002	
Principal Office Address: 590 Hancock Road, Peterborough, NH, 03458, USA	Mailing Address: 590 Hancock Road, Peterborough, NH, 03458, USA
Citizenship / State of Formation: Domestic/New Hampshire	
	Last Annual Report Year: 2019
	Next Report Year: 2020
Duration: Perpetual	
Business Email: barbara@frolingenergy.com	Phone #: 603-924-1001
Notification Email: barbara@frolingenergy.com	Fiscal Year End Date: NONE

## Principal Purpose

S.No	NAICS Code	NAICS Subcode
1	OTHER / TO OPERATE A CONSTRUCTION BUSINESS AND DO ALL THINGS PERMITTED UNDER NH LAW	



NH Department of State, 107 North Main St. Room 204, Concord, NH 03301 -- **Contact Us (/online ~ /Home/ContactUS)**

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## Principals Information

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<b>Name/Title</b>	<b>Business Address</b>
Mark Froling / Member	590 Hancock Road, Peterborough, NH, 03458, USA
Mark Froling / Manager	590 Hancock Road, Peterborough, NH, 03458, USA

Page 1 of 1, records 1 to 2 of 2

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## Registered Agent Information

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Name: Froling, Mark

Registered Office Address: 590 Hancock Road, Peterborough, NH, 03458, USA

Registered Mailing Address: 590 Hancock Road, Peterborough, NH, 03458, USA

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## Trade Name Information

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<b>Business Name</b>	<b>Business ID</b>	<b>Business Status</b>
Froling Energy (/online/BusinessInquire/TradeNameInformation?businessID=552390)	726873	Active

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## Trade Name Owned By

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<b>Name</b>	<b>Title</b>	<b>Address</b>
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## Trademark Information

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<b>Trademark Number</b>	<b>Trademark Name</b>	<b>Business Address</b>	<b>Mailing Address</b>
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No records to view.

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[Filing History](#)   
 [Address History](#)   
 [View All Other Addresses](#)   
 [Name History](#)   
 [Shares](#)  
[Businesses Linked to Registered Agent](#)   
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Certificate of Vote Authority

KNOW ALL PERSONS BY THESE PRESENTS, that Mark Froling is the sole member, sole manager, sole officer, and the president of Froling LLC (company). The said President of the Company is authorized to execute contracts and bonds in the name of and on behalf of the Company; and such execution of any contract of obligation in the Company's name on its behalf by such officer shall be valid and binding.

The aforementioned President is expressly authorized and empowered to execute and deliver a grant contract with the State of New Hampshire Public Utilities Commission and such authority has not been revoked or rescinded as of the date hereof.

4-17-2019

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Date

*Barbara Meakin*

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Clerk: Barbara Meakin



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
04/02/2019

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 have ADDITIONAL INSURED provisions or 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).


<b>PRODUCER</b> FEDERATED MUTUAL INSURANCE COMPANY HOME OFFICE: P.O. BOX 328 OWATONNA, MN 55060	<b>CONTACT NAME:</b> CLIENT CONTACT CENTER <b>PHONE (A/C, No, Ext):</b> 888-333-4949 <b>FAX (A/C, No):</b> 507-446-4664 <b>E-MAIL ADDRESS:</b> CLIENTCONTACTCENTER@FEDINS.COM	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> 173-760-0 FROLING LLC 590 HANCOCK RD PETERBOROUGH, NH 03458-2125	<b>INSURER A:</b> FEDERATED MUTUAL INSURANCE COMPANY <b>NAIC #</b> 13935	
	<b>INSURER B:</b>	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**COVERAGES**      **CERTIFICATE NUMBER: 7**      **REVISION NUMBER: 0**

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 HYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	N	N	6089513	11/27/2018	11/27/2019	EACH OCCURRENCE	\$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$100,000
							MED EXP (Any one person)	EXCLUDED
							PERSONAL & ADV INJURY	\$1,000,000
							GENERAL AGGREGATE	\$2,000,000
							PRODUCTS - COMPI/OP AGG	\$2,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY	N	N	6089513	11/27/2018	11/27/2019	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
							BODILY INJURY (Per person)	
							BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED    RETENTION	N	N	6089515	11/27/2018	11/27/2019	EACH OCCURRENCE	\$10,000,000
							AGGREGATE	\$10,000,000
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	6089514	11/27/2018	11/27/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER	
							E.L. EACH ACCIDENT	\$1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$1,000,000
							E.L. DISEASE - POLICY LIMIT	\$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 RE: 590 HANCOCK RD PETERBOROUGH NH 03458

<b>CERTIFICATE HOLDER</b> 173-760-0 NH PUBLIC UTILITIES COMMISSION 21 S FRUIT ST STE 10 CONCORD, NH 03301-2428	<b>CANCELLATION</b> 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 
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