

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

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NSTAR Electric Company)) D.P.U. 10-72
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**PETITION OF NSTAR ELECTRIC COMPANY FOR APPROVAL OF PURCHASE
POWER AND RENEWABLE ENERGY CERTIFICATE CONTRACTS**

Now comes NSTAR Electric Company (“NSTAR Electric” or the “Company”) and requests that the Department of Public Utilities (the “Department”) approve, pursuant to Section 83 of Chapter 169 of the Acts of 2008 (“Section 83”) and the Department’s regulations at 220 C.M.R. 17.00 et seq. the enclosed purchase power and renewable energy certificate contract between NSTAR Electric and Pioneer Valley Wind, LLC (“Pioneer Valley Wind”), (the “Pioneer Valley Wind Contract”). As described in more detail below, the Company is proposing to enter into a wind power contract for renewable power providing a total of 22.5 megawatts (“MW”) of renewable generation supply, capacity and associated renewable energy certificates (“RECs”) at a fixed price over a contract term of ten years, the latter for use within the Company’s Basic Service supply portfolio.

In support of the Company’s request, NSTAR Electric states the following:

1. NSTAR Electric is a Massachusetts electric company, pursuant to G.L. c. 164, § 1, with a principal place of business in Boston, Massachusetts.
2. The source of renewable energy, RECs and capacity from the Pioneer Valley Wind contract is the Brimfield Wind Farm located in the town of Brimfield in Hampden County, MA. The Project will consist of nine wind turbines with a total capacity of 22.5 MW.

3. The filing set forth herein includes: (1) the pre-filed testimony and accompanying exhibits of James G. Daly, Director, Electric and Gas Energy Supply of NSTAR Electric regarding the proposed contracts; and (2) the pre-filed testimony and accompanying exhibits of Henry C. LaMontagne, Director of Regulatory Policy and Rates, describing the Company's proposed cost recovery and rate-design proposal relating to the contract. In particular, Mr. LaMontagne's testimony includes a proposed Long-Term Renewable Contract Adjustment Mechanism tariff, M.D.P.U. No. 164, to recover the Company's costs associated with contracts procured in accordance with Section 83;
4. Section 83 and the Department's regulations at 220 C.M.R. § 17.00 et seq. require that long-term contracts entered into by a distribution company must be made with renewable energy generation sources that:
 - (a) Have a commercial operation date, as verified by the Department of Energy Resources ("DOER"), on or after January 1, 2008;
 - (b) Are qualified by DOER as eligible to participate in the renewable portfolio standards ("RPS") program, and to sell RECs under the RPS program, pursuant to G.L. c. 25A, § 25; and
 - (c) Are determined by the Department: (1) to provide enhanced electricity reliability within the Commonwealth; (2) to contribute to moderating system peak-load requirements; (3) to be cost effective to Massachusetts electric ratepayers over the term of the contract; and (4) where feasible, to create additional employment in the Commonwealth; and

- (d) Are determined by the Department to be a cost-effective mechanism for procuring renewable energy on a long-term basis.

The proposed Pioneer Valley Wind Contract meets this standard.

- 5. The Company executed its contract with Pioneer Valley Wind on June 4, 2010, which was prior to the recent issuance of the Department's emergency regulations in D.P.U. 10-58, on June 8, 2010. Under both the RFP (paragraph 2.6) that was operative at the time the contract was executed and pursuant to the provisions of the executed contract (paragraph 8.2), the Company is required to file the contract no later than 30 days from the date of execution. The Company is obligated to comply with the provisions and requirements of the contract it has entered into under Section 83 and the regulations of the Department that were legally binding at the time of contract execution.
- 6. The Company believes that the Department's D.P.U. 10-58 emergency regulations should not affect or delay the Department's review and approval of the Pioneer Valley Wind contract. The contract with Pioneer Valley Wind is a cost-effective renewable resource that enables the Company to fulfill its obligation to sign long-term contracts to facilitate the financing of renewable generation under Section 83. A delay in the review and approval of this contract could result in the inability of Pioneer Valley Wind to secure currently available tax credits. The US Treasury Department ITC Grant program, which allows the project to claim 30 percent of the capital investment as a cash grant provided the project has commenced construction by the end of 2010. Any delay in approving the contract would jeopardize the project's ability to qualify for the tax credit.

WHEREFORE, NSTAR Electric respectfully requests that the Department:

- (1) Determine that the proposed Pioneer Valley Wind Contract is consistent with Section 83 and 220 C.M.R. 17.00 et seq.;
- (2) Approve the pricing provisions of the Company's proposed Long-Term Renewable Contract Adjustment Mechanism, M.D.P.U. No. 164, and
- (3) Issue such other and further orders as may be necessary and appropriate.

Respectfully Submitted,

NSTAR ELECTRIC COMPANY

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