VIA EMAIL – DOER.RPS@mass.gov

June 6th, 2019

John Wassam
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02214

The Bowersock Mills & Power Co.
P.O. Box 66
500 South Powerhouse Road
Lawrence, Kansas 66044
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RE: RPS Class I and Class II Regulations

Dear Mr. Wassam:

I am writing to offer comments from the perspective of a hydropower plant operator regarding the MA DOER's proposal to eliminate the need for hydropower owners and operators to maintain Low Impact Certification to qualify for the MA Renewable Portfolio Standard ("RPS").

My name is Sarah Hill-Nelson and I represent The Bowersock Mills & Power Company (Bowersock or BMPC), which is a historic, 7MW, family-owned, LIHI-certified hydropower plant located in Lawrence, Kansas. Bowersock first achieved LIHI Certification in 2004 and has found it critical to our operations since the certification was awarded. Early in our certification we were able to sell our RECs (Green-e certified thanks to our LIHI Certification) in the open market, the proceeds of which were of significant value to our operations. In 2010 we launched an effort to build a new powerhouse to maximize the clean energy potential of our existing dam (which also provides a pool for the municipal water supply for Lawrence). We were able to secure a twenty five-year power purchase agreement that included the value of our RECs,

thanks again to our LIHI Certification. The cost of our LIHI Certification has been far surpassed by the revenue the project has earned as a result of the Certification.

We have found it critical to have a third-party assessment of the environmental impact of our facility. LIHI's certification process is rigorous and consistent and, as a result, consumers across the United States can be assured of the environmental status of a project without having to familiarize themselves with myriad definitions of what is environmentally-preferred on a state by state basis. In our case, there is so little hydropower in Kansas that the state does not have the inclination or the funding to establish guidelines for what is environmentally-preferred hydropower – a situation common throughout the Midwest. LIHI-certification is Bowersock's only option to demonstrate that the project is environmentally-preferred.

Bowersock is currently undertaking a recertification of our project which will require the Company to engage with state and federal agencies to ensure that the project is still in compliance. Historically we have found the recertification process valuable because it has facilitated discussions and interactions with state and federal agencies. Although we would like to think we would be able to do this on our own without the recertification process, the consistent communication with agencies required by periodic recertifications has ensured that we maintain open and positive relationships with regulators. In particular, working with LIHI has been valuable to Bowersock as we have met and are surpassing recreation requirements imposed by the FERC license.

Adding hydropower to existing dams that are used for flood control or water supply addresses many issues for the United States, including re-injecting capital for the maintenance of aging dams, stabilizing the grid with distributed hydropower that assists with voltage control, producing additional clean kilowatts, and providing high-paying, reliable jobs in both rural and urban areas. The biggest challenge to adding hydropower to these existing dams is the high initial capital cost of hydropower projects. Although hydropower has been documented over time to be the cheapest source of energy today (divided over the full length of the life of a hydropower project vs. other energy types with a shorter lifespan such as wind), current energy markets and the high cost of capital are preventing the expansion of incremental hydropower.

Securing a long-term power purchase agreement is step one to being able to complete a project and underscores the need for a consistent standard of environmentally-preferred hydropower across the United States. In our case, the LIHI Certification has been critical to our survival as a small hydropower plant because had we not secured our long-term (green) power purchase agreement in 2010, the crash of the natural gas markets would have made it

impossible for us to keep our plant operating with shorter-term contracts given current energy prices.

If Massachusetts chooses to eliminate the requirement that LIHI Certification be maintained, the state will undermine the legitimacy of the single, third-party program that has the capability to assess the environmental impact of a hydropower project. We see LIHI Certification as critical to the expansion of low-impact hydropower projects in the United States, and respectfully request that the state of Massachusetts continue to require active LIHI Certification for the benefit of not only Massachusetts projects, but hydropower projects across the nation.

Sincerely,

Sarah Hill-Nelson
Owner-Operator
The Bowersock Mills & Power Co.
785-766-0884