

# Missisquoi River Hydro LLC

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September 16, 2016

Secretary Kimberly Bose  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**Re: North Troy Project (P-10172)**  
**Request for Modification of Exemption**

Dear Secretary Bose,

Missisquoi River Hydro LLC (MRH) is a FERC exempted hydroelectric site on the Missisquoi River in northern Vermont. After being offline and essentially abandoned for 12 years, in 2011 MRH purchased the facility and began the process of rehabilitating it. The facility came online in August of 2013 and has been operating since then.

In January of 2013 MRH requested an amendment to our exemption. Part of that amendment was to move the proposed 60 kW auxiliary turbine from the forebay by the dam to the powerhouse. That request was granted. Since that time, the laws in Vermont governing net metering have changed, making the installation of such a turbine extremely problematic. We would like our exemption modified to delete the proposed auxiliary turbine entirely. We have discussed the matter with Melissa Grader at US Fish and Wildlife and Jeff Crocker at VT Agency of Natural Resources and they are agreeable to this change. Please see the attached letters of concurrence from US F&WS and VT ANR.

**The Existing Situation and Exemption:**

We are operating the existing turbine/generator combination which has a capacity of 220 kW and an operating flow range of 95 cfs to 193 cfs. Under our exemption as presently written we are permitted and required to add a 60 kW minimum flow turbine at the powerhouse while spilling a minimum of 55 cfs into the bypass reach.

However, The Vermont Public Service Board has created a revision to Rule 5.100, the existing net metering law, which comes into effect on January 1, 2017. We operate under the previous net metering rule and are grandfathered in under that version. If we install new generating capacity after December 31, 2016 we lose our grandfathered net metering rate and suffer a crippling financial loss. At the same time, we find that our utility, Vermont Electric Cooperative (VEC), has reached its net metering limit under existing law, at 15% of capacity. Under the present law they will not allow us to install even one kilowatt of additional generating capacity. That law stays in effect until December 31, 2016.

## Missisquoi River Hydro LLC

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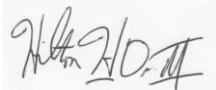
We are trapped by this circumstance. If we fail to install the turbine we violate our exemption. If we install the turbine before the end of 2016 we violate our interconnection agreement with VEC and the terms of existing Vermont law. If we wait until 2017 to install the turbine we will lose our net metering rate and with it our financial viability.

MRH, with concurrence from FWS and ANR, is proposing the following project changes for P-10172:

The exemptee shall not be required to install an auxiliary 60 kW turbine.

Please do not hesitate to contact us if you have any questions. We can be reached at the number below. Thank you very much for your consideration.

Sincerely,



Hilton H. Dier III  
Managing Partner  
Missisquoi River Hydro LLC

(Letters of concurrence from VT ANR and USFWS follow)

## Missisquoi River Hydro LLC

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(Email of 5/23/2016)

Hello Hilton,

As it has been a while since this project has been on my radar screen I wanted to review the file first.

My understanding of the situation is that FERC granted MRH an amendment to the exemption on July 26, 2013. The amendment would have allowed MRH to move the location of the proposed minimum flow turbine from the forebay area down to the project powerhouse, move the location of the trashrack from the forebay to upstream of the arches at the inlet to the headrace, and move the location of the downstream fish passage from the headrace to the dam itself. The bypass flow of 55 cfs would be provided through the downstream fish passage notch in the dam and spill over the dam crest.

It appears that the fish bypass at the dam has been constructed but now MRH wishes to remove the requirement to install the minimum flow turbine in the powerhouse. This would lower the hydraulic capacity of the project by 60 kW but all other facets of the project would remain the same.

The Service has no objection to the proposed change to the project and do not believe that the proposal would require any changes to our terms and conditions for the project.

Regards,

Melissa Grader  
Fish and Wildlife Biologist  
U.S. Fish and Wildlife Service - New England Field Office  
103 East Plumtree Road  
Sunderland, MA 01375  
413-548-8002 x8124  
[melissa\\_grader@fws.gov](mailto:melissa_grader@fws.gov)

# Missisquoi River Hydro LLC

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(Email of 5/6/2016)

**Vermont Department of Environmental Conservation**

Watershed Management Division  
1 National Life Drive, Main 2  
Montpelier, VT 05620-3522  
www.watershedmanagement.vt.gov

*Agency of Natural Resources*

[phone] 802.490.6151

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May 6, 2016

Hilton H. Dier III  
Missisquoi River Hydro LLC  
453 East Hill Road  
Middlesex, VT 05602

RE: North Troy Hydroelectric Project (FERC Project No. 10172)  
Amendment to FERC Exemption

Dear Mr. Dier:

Thank you for consulting with the Vermont Agency of Natural Resources (VANR) regarding proposal to seek an amendment to the exemption for the North Troy Hydroelectric Project (FERC No. 10172) on the Missisquoi River in North Troy, Vermont. The North Troy Hydroelectric Project received a water quality certification in 1987 from the Vermont Department of Water Resource and Environmental Engineering (now Department of Environmental Conservation).

The Federal Energy Regulatory Commission (FERC) issued an amendment to the North Troy Project exemption on July 26, 2013. The amendment authorized the relocation of the trashracks and providing downstream fish passage through a notch in the dam. Missisquoi River Hydro LLC (MRH) has completed the above modifications in accordance with the terms of the exemption. Additionally, the amendment required that MRH install a 60 kilowatt minimum flow turbine at the powerhouse.

MRH is requesting that FERC amend the project exemption to remove the requirement to install the minimum flow turbine. VANR has no objections to amending the exemption for the project. The project will continue to be operated in compliance with other terms and conditions of the water quality certification which require it to be operated in true run-of-river mode with a bypass flow of 55 cfs being spilled over the dam and the downstream fish passage when operating.

Please do not hesitate to contact me if you should have any questions.

Sincerely,

Jeff Crocker  
River Ecologist

Cc: Melissa Grader, FWS  
Eric Davis, VANR