

SB 333 - AS AMENDED BY THE SENATE

02/04/2016 0120s

2016 SESSION

16-2764

06/09

SENATE BILL **333**

AN ACT relative to net energy metering.

SPONSORS: Sen. Bradley, Dist 3; Sen. Kelly, Dist 10; Sen. Little, Dist 8; Sen. Soucy, Dist 18; Sen. Sanborn, Dist 9; Sen. Fuller Clark, Dist 21; Sen. Feltes, Dist 15; Rep. Baber, Straf. 14; Rep. Backus, Hills. 19; Rep. Shepardson, Ches. 10; Rep. Devine, Rock. 4; Rep. Richardson, Coos 4; Rep. Edelblut, Hills. 38

COMMITTEE: Energy And Natural Resources

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ANALYSIS

This bill modifies the cap on net energy metering tariffs available to eligible customer-generators.

This bill also requires the public utilities commission to initiate a proceeding to develop alternative net energy metering tariffs.

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Explanation: Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears [~~in brackets and struck through.~~]  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

## STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Sixteen*

AN ACT relative to net energy metering.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1       1 Purpose. To meet the objectives of electric industry restructuring pursuant to RSA 374-F,  
2 including the overall goal of developing competitive markets and customer choice to reduce costs for  
3 all customers, and the purposes of RSA 362-A and RSA 362-F to promote energy independence and  
4 local renewable energy resources, the general court finds that it is in the public interest to continue  
5 to provide reasonable opportunities for electric customers to invest in and interconnect customer-  
6 generator facilities and receive fair compensation for such locally produced power while ensuring  
7 costs and benefits are fairly and transparently allocated among all customers. The general court  
8 continues to promote a balanced energy policy that supports economic growth and promotes energy  
9 diversity, independence, reliability, efficiency, regulatory predictability, environmental benefits,  
10 and a modern and flexible electric grid that provides benefits for all ratepayers.

11       2 Limited Electrical Energy Producers Act; Public Utility. Amend RSA 362:2, II to read as  
12 follows:

13           II. For the purposes of this title only, rural electric cooperatives for which a certificate of  
14 deregulation is on file with the public utilities commission pursuant to RSA 301:57 shall not be  
15 considered public utilities; provided, however, that the provisions of RSA [~~362-A~~]**362-A:1, 362-A:2,**  
16 **362-A:3, 362-A:4, 362-A:5, 362-A:6, 362-A:7, 362-A:8,** 363-B, 371, 374:2-a, 374:26, 374:48-56, 374-A,  
17 374-C, 374-F, and 378:37 shall, unless otherwise provided herein, be applicable to rural electric  
18 cooperatives, without regard to whether a certificate of regulation or deregulation is on file with the  
19 public utilities commission. The provisions of RSA 374-A and the provisions of RSA 374-F:3, V(b)  
20 and (f) and RSA 374-F:7 shall be applicable to rural electric cooperatives for which a certificate of  
21 deregulation is on file with the public utilities commission to the same extent as municipal utilities.

22       3 Limited Electrical Energy Producers Act; Net Energy Metering. Amend RSA 362-A:9, I to  
23 read as follows:

24           I. Standard tariffs providing for net energy metering shall be made available to eligible  
25 customer-generators by each electric distribution utility in conformance with net metering rules  
26 adopted and orders issued by the commission. Each net energy metering tariff shall be identical,  
27 with respect to rates, rate structure, and charges, to the tariff under which a customer-generator  
28 would otherwise take default generation supply service from the distribution utility. Such tariffs  
29 shall be available on a first-come, first-served basis within each electric utility service area under  
30 the jurisdiction of the commission until such time as the total rated generating capacity owned or  
31 operated by eligible customer-generators totals a number equal to [~~50~~] **75** megawatts, *with 50*

1 *megawatts of the 75 megawatts allocated to the 4 electric distribution utilities that were*  
2 *subject to the commission's jurisdiction in 2010 multiplied by each such utility's*  
3 *percentage share of the total 2010 annual coincident peak energy demand distributed by*  
4 *those 4 utilities, and 25 megawatts of the 75 megawatts allocated to the state's 3 investor-*  
5 *owned electric distribution utilities, multiplied by each such utility's percentage share of the*  
6 *total 2010 annual coincident peak energy demand distributed by [all-such] those 3 utilities all as to*  
7 *be determined by the commission and to be utilized by eligible customer-generators located*  
8 *within each such utility's service territory. Sixty percent of each utility's share of the 25*  
9 *megawatts shall be apportioned to facilities with a total generating capacity of not more*  
10 *than 100 kilowatts and 40 percent to facilities with a total generating capacity in excess of*  
11 *100 kilowatts, but no greater than one megawatt. The 25 megawatts of capacity shall be*  
12 *made available to eligible customer-generators until such time as commission approved*  
13 *alternative net metering tariffs become available. No more than 4 megawatts of such total*  
14 *rated generating capacity shall be from a combined heat and power system as defined in RSA 362-*  
15 *A:1-a, I-d.*

16 4 Limited Electrical Energy Producers Act; Net Energy Metering. Amend RSA 362-A:9, XIV(c)  
17 to read as follows:

18 (c) Notwithstanding paragraph V, a group host shall be paid for its surplus generation  
19 at the end of each billing cycle at rates consistent with the credit the group host receives relative to  
20 its own net metering under either subparagraph IV(a) or (b) *or alternative tariffs that may be*  
21 *applicable pursuant to RSA 362-A:9, XVI.* On an annual basis, the electric distribution utility  
22 shall calculate a payment adjustment if the host's surplus generation for which it was paid is  
23 greater than the group's total electricity usage during the same time period. The adjustment shall  
24 be such that the resulting compensation to the host for the amount that exceeded the group's total  
25 usage shall be at the utility's avoided cost or its default service rate in accordance with  
26 subparagraph V(b) or paragraph VI *or alternative tariffs that may be applicable pursuant to*  
27 *RSA 362-A:9, XVI.* The utility shall pay or bill the host accordingly.

28 5 New Paragraphs; Limited Electrical Energy Producers Act; Net Energy Metering. Amend  
29 RSA 362-A:9 by inserting after paragraph XIV the following new paragraphs:

30 XV. Standard tariffs that have been made available to eligible customer-generators  
31 pursuant to RSA 362-A:9, I shall terminate on December 31, 2040 and such customer-generators  
32 shall transition to tariffs that are in effect at that time.

33 XVI. No later than 3 weeks after the effective date of this paragraph, the commission shall  
34 initiate a proceeding to develop new alternative net metering tariffs, which may include other  
35 regulatory mechanisms and tariffs for customer-generators, and determine whether and to what  
36 extent such tariffs should be limited in their availability within each electric distribution utility's  
37 service territory. In the development of such alternative tariffs and any limitations in their  
38 availability, the commission shall consider: the costs and benefits of customer-generator facilities;

1 rate effects on all customers; alternative rate structures, including time-based tariffs pursuant to  
2 paragraph VIII; whether there should be a limitation on the amount of generating capacity eligible  
3 for such tariffs; the size of facilities eligible to receive such tariffs; timely recovery of lost revenue by  
4 the utility using an automatic rate adjustment mechanism; and electric distribution utilities'  
5 administrative processes required to implement such tariffs and related regulatory mechanisms.  
6 The commission may waive or modify specific size limits and terms and conditions of service for net  
7 metering specified in RSA 362-A:9, I, III, IV, V, and VI that it finds to be just and reasonable in the  
8 adoption of alternative tariffs for customer-generators. The commission may approve time and/or  
9 size limited pilots of alternative tariffs.

10 XVII. The commission shall issue an order initially approving or adopting such alternative  
11 tariffs, which may be subject to change or adjustment from time to time, within 10 months of the  
12 effective date of this paragraph.

13 XVIII. If any utility reaches any cap for net metering under paragraph I before alternative  
14 tariffs are approved or adopted pursuant to paragraph XVII, eligible customer-generators may  
15 continue to interconnect under temporary net metering tariffs under the same terms and conditions  
16 as net metering under the 75 megawatt cap, except that such customer-generators shall transition  
17 to alternative tariffs, once they are approved or adopted for their utility pursuant to paragraph  
18 XVII.

19 6 Effective Date. This act shall take effect upon its passage.