

HB 614-FN - AS AMENDED BY THE HOUSE

24Feb2021... 0156h

2021 SESSION

21-0468

10/06

HOUSE BILL

614-FN

AN ACT exempting the state and political subdivisions from payment of the costs of compliance with the renewable portfolio standard.

SPONSORS: Rep. Vose, Rock. 9; Rep. Pearl, Merr. 26; Rep. Lang, Belk. 4; Rep. Cordelli, Carr. 4; Rep. Harvey-Bolia, Belk. 4; Rep. Edwards, Rock. 4; Rep. Binford, Graf. 15

COMMITTEE: Science, Technology and Energy

AMENDED ANALYSIS

This bill requires that the state and political subdivisions be exempted from paying the portion of electricity rates that covers the cost of compliance with the renewable portfolio standard. Electricity suppliers are required to contract for rates that exclude costs of compliance with the renewable portfolio standard.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT exempting the state and political subdivisions from payment of the costs of compliance with the renewable portfolio standard.

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

1 1 New Paragraph; Electrical Rates and Charges; Exemption For State and Political
2 Subdivisions. Amend RSA 378:49 by inserting after paragraph III the following new paragraph:

3 IV.(a) The public utilities commission shall, after notice and hearing, by order or rule,
4 approve a standard format and methodology that providers of electricity, as defined in RSA 362-F:2,
5 XIV, shall use in exempting the state and its political subdivisions from paying the portion of
6 electricity rates that covers the cost of compliance with the renewable portfolio standard (RPS)
7 under RSA 362-F.

8 (b) Providers of electricity shall not be subject to compliance under RSA 362-F:3 for
9 electricity sales that have been exempted pursuant to subparagraph (a).

10 (c) All competitive electricity suppliers shall:

11 (1) Negotiate with any serviced political subdivision or state agency a contract that
12 provides a rate that excludes costs of compliance with the renewable portfolio standard under RSA
13 362-F; and

14 (2) Report yearly to the commission on all such contracts.

15 (d) A political subdivision of the state may, by a majority vote of its governing body, elect
16 to continue payment of the amounts identified as costs of compliance with the renewable portfolio
17 standard under RSA 362-F.

18 2 Effective Date. This act shall take effect January 1, 2022.

HB 614-FN- FISCAL NOTE
AS INTRODUCED

AN ACT exempting the state and political subdivisions from payment of the costs of compliance with the renewable portfolio standard.

FISCAL IMPACT: ☒ **State** ☒ **County** ☒ **Local** ☐ **None**

STATE:	Estimated Increase / (Decrease)			
	FY 2021	FY 2022	FY 2023	FY 2024
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable	Indeterminable	Indeterminable
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Renewable Energy Fund			

LOCAL:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease

METHODOLOGY:

This bill exempts the state and political subdivisions from paying the portion of electricity rates that covers the cost of compliance with the renewable portfolio standard (RPS). Providers of electricity shall recover those payments by subtracting exempted amounts from alternative compliance payments to the renewable energy fund.

The PUC states it will be required to develop and approve a standard that electricity providers must use to exempt the State and political subdivisions from paying these costs. The governing body of a political subdivisions will be able to continue participation in the RPS by paying for these compliance costs via their electric bills but the State would not be able to elect this option. There may be some decrease in the electric bills of the State and political subdivisions who do not opt out of the exemption. The PUC does not know which suppliers serve which political subdivisions or the amount of energy purchases by any political subdivision. There may be a decrease in funds allocated to the Renewable Energy Fund.

RPS compliance costs include both the cost of renewable energy certificates (RECs) purchased from renewable energy facilities through the regional market and the cost of alternative compliance payments (ACPs) paid to the Commission in lieu of such REC purchases. Providers

of electricity must either purchase RECs or make an ACP to satisfy the RPS statutory requirements. ACPs fund the Renewable Energy Fund (REF), which in turn, through Commission-approved rebate and grant programs, provides incentives for renewable energy project development within the State. Although it appears electricity providers are intended to be protected from incurring the cost of the RPS exemption, the bill does not clearly include the cost of REC's as a compliance cost to be subtracted from an electricity provider's cost of the exemption.

The Municipal Association does not have information on the total electricity costs paid by municipalities or the amount of those costs for compliance, so any impact on municipal expenditures from this bill is indeterminable.

AGENCIES CONTACTED:

New Hampshire Municipal Association and Public Utilities Commission