

HB 1635-FN - AS INTRODUCED

2022 SESSION

22-2035

12/10

HOUSE BILL

1635-FN

AN ACT relative to the purchase of output of limited electrical energy producers and including qualifying storage system.

SPONSORS: Rep. McGhee, Hills. 27; Rep. Stapleton, Sull. 5; Rep. Wolf, Merr. 5; Rep. Allard, Merr. 21; Rep. Merner, Coos 7

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill expands the authority of a limited producer of electrical energy to sell its output to retail electricity customers located within the same New Hampshire electric distribution utility franchise area as the limited producer, and includes qualifying electrical energy storage.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Two

AN ACT relative to the purchase of output of limited electrical energy producers and including qualifying storage system.

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

1 1 Definition; Limited Electrical Energy Producers; Limited Producer. Amend RSA 362-A:1-a,
2 III to read as follows:

3 III. "Limited producer" or "limited electrical energy producer" means a qualifying small
4 power producer, **a qualifying storage system**, or a qualifying cogenerator, with a ~~[total]~~ **maximum**
5 **rated generating or discharge** capacity of ~~[not more]~~ **less** than 5 megawatts, **that does not**
6 **participate in net energy metering; is not registered as a generator, asset, or network**
7 **resource with ISO New England; and does not otherwise participate in any FERC**
8 **jurisdictional wholesale electricity markets, except as an alternative technology regulation**
9 **resource (ATRR) to the extent ATRRs are deemed by ISO New England to function as retail**
10 **or network load reducers for all other ISO New England purposes. Such non-participation**
11 **in FERC jurisdictional interstate wholesale markets may be achieved by retirement from**
12 **such markets.**

13 2 New Paragraph; Definition; Qualifying Storage System. Amend RSA 362-A:1-a by inserting
14 after paragraph IX the following new paragraph:

15 IX-a. "Qualifying storage system" means an electric energy storage system as defined in
16 RSA 72:84.

17 3 Limited Electrical Energy Producers Act; Purchase of Output in Intrastate Commerce. RSA
18 362-A:2-a is repealed and reenacted to read as follows:

19 362-A:2-a Purchase of Output of Limited Producers in Intrastate Commerce.

20 I. A limited producer of electrical energy may sell its produced electrical energy to one or
21 more purchasers other than the franchise electric utility. Such purchasers may be any retail
22 electricity customers located within the same New Hampshire electric distribution utility franchise
23 area as where the limited producer is located or any electricity suppliers serving retail load within
24 such area.

25 II. Intrastate sales of electricity across the distribution grid shall be facilitated and
26 accounted for by competitive electricity suppliers registered with the department of energy under
27 RSA 374-F:7 or by municipal or county aggregations under RSA 53-E that are load-serving entities.

28 III. To participate in such intrastate sales of electricity over the distribution grid a limited
29 producer must be equipped with a revenue grade interval meter that can accurately measure hourly
30 exports to the distribution grid and report such meter data for daily load settlement purposes.

HB 1635-FN - AS INTRODUCED
- Page 2 -

1 IV. The department of energy shall adopt rules pursuant to RSA 541-A to:

2 (a) Establish procedures to enable limited producers to sell electricity at wholesale
3 within intrastate commerce and at retail, either directly or indirectly through electricity suppliers;

4 (b) Establish such requirements and conditions concerning intrastate sales of electricity
5 pursuant to this section that it deems necessary to avoid substantial risk or uncompensated costs to
6 the electric utility in whose franchise area the sales takes place.

7 (c) Avoid unjust and unreasonable cost shifting transmission rate effects on retail
8 customers arising from avoided transmission cost credits, which may include provisions to reduce, on
9 a prospective basis, the credit for actual avoided transmission charges to some reasonable portion of
10 the value thereof;

11 (d) Provide for filing or reporting on contracts for such intrastate sales to the
12 department of energy and the distribution utility to which the limited producer is interconnected,
13 including provision for confidential protection of commercially sensitive financial terms of such
14 contracts; and

15 (e) Provide reasonable consumer protections for retail sales of electricity from limited
16 producers, which may include a requirement for prior review and approval of such contracts before
17 they go into effect. If such a contract review is required, the rules shall provide that failure to
18 disapprove such contract within 60 days of its filing with the department of energy shall constitute
19 approval thereof. Any such contract review shall not require a contested case.

20 V. The limited producer shall receive credit for actual avoided transmission charges if the
21 intrastate wholesale or retail sale of such electricity reduces the retail load measured at the
22 wholesale meter point between the distribution system under state jurisdiction and transmission
23 facilities under federal jurisdiction such that transmission charges allocated to the distribution
24 utility are reduced from what they otherwise would be absent the electricity exported to the
25 distribution grid by the limited producer during hours of coincident peak on which transmission
26 costs are allocated. Such credit shall be based on measurement of exports to the distribution grid at
27 the retail meter point without additional credit for avoided line and transformation losses between
28 retail meter points and the transmission grid to provide some sharing of the benefit of reduced
29 transmission charges with other ratepayers who do not participate in such intrastate electricity
30 sales by limited producers.

31 VI. Purchasers of power from limited producers shall pay for the delivery of such power
32 through tariffs, charges, and rates that are generally applicable to the customer's rate class, except
33 for default energy service charges if not applicable and transmission charges as they may be
34 adjusted pursuant to paragraph V.

35 4 New Section; Electric Renewable Portfolio Standard; Exclusion to Amount of Electricity
36 Supplied. Amend RSA 362-F by inserting after section 3 the following new section:

HB 1635-FN - AS INTRODUCED

- Page 3 -

1 362-F:3-a Exclusions to the Amount of Electricity Supplied. If a provider of electricity has
2 revenue grade meter data on the quantity of exports to the grid from a qualifying storage system as
3 defined in RSA 362-A:1-a to the extent that it is charged from the grid, such amounts may be
4 deducted from the calculation of electricity supplied by the provider to its end-use customers for the
5 applicable year for purposes of compliance with RSA 362-F:3 as determined and provided for by the
6 department of energy.

7 5 Effective Date. This act shall take effect 60 days after its passage.

HB 1635-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to the purchase of output of limited electrical energy producers and including qualifying storage system.

FISCAL IMPACT: ☐ State ☒ County ☒ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2022	FY 2023	FY 2024	FY 2025
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<input checked="" type="checkbox"/> General <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Various Government Funds			

COUNTY:

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

LOCAL:

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

METHODOLOGY:

This bill expands the authority of a limited producer of electrical energy to sell its output to retail electricity customers located within the same New Hampshire electric distribution utility franchise area as the limited producer, and includes qualifying electrical energy storage.

The Department of Energy has identified the following potential fiscal impacts:

- The Department's expenditures will increase as it would be required to undertake rulemaking to develop and implement the parameters of the newly authorized intrastate wholesale and retail sales transactions and avoided transmission charge crediting. Proposed RSA 362-A:2-a IV (a), (b), and (c) would take significant time and resources, as well as specialized expertise the Department does not currently have and may require the use of consultants. The cost of such consultants for this project is currently unknown. Regarding proposed RSA 362-A:2-a, IV(e), the Department only has expertise in reviewing contracts for consumer protection in other contexts, this bill would significantly expand the Department's involvement in consumer protection in a new

area. Depending on the number of additional contracts requiring Department review, additional staff may be needed.

- The Department assumes the State, counties, and local governments would be eligible to enter into contracts to purchase from limited electrical energy producers. If the terms of these contracts were favorable as compared to existing electrical energy procurement, then there could be reductions in State, county and local expenditures for electricity. If the terms of the contract were not favorable as compared to existing electrical energy procurement, then the State, counties and local governments may experience increases in electricity expenditures.
- If the shared transmission savings contemplated under the proposed 362-A:2-a, V are realized and accrue to all utility ratepayers, then savings in electricity costs may be experienced by state, county, and local governments as electric ratepayers.

AGENCIES CONTACTED:

Department of Energy