

SB 370-FN - AS INTRODUCED

2022 SESSION

22-3016

12/10

SENATE BILL

370-FN

AN ACT

allowing the university system and community college system to be municipal host electric customer generators.

SPONSORS:

Sen. Perkins Kwoka, Dist 21; Sen. Watters, Dist 4; Sen. Avar, Dist 12; Sen. Cavanaugh, Dist 16; Sen. Prentiss, Dist 5; Sen. Sherman, Dist 24; Sen. Rosenwald, Dist 13; Sen. Kahn, Dist 10; Sen. Soucy, Dist 18; Sen. Whitley, Dist 15; Sen. D'Allesandro, Dist 20; Rep. M. Smith, Straf. 6; Rep. Somssich, Rock. 27; Rep. Wall, Straf. 6

COMMITTEE:

Energy and Natural Resources

ANALYSIS

This bill amends the definition of municipal host to include the university of New Hampshire and community college systems.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 allowing the university system and community college system to be municipal host electric customer generators.

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

1 1 Limited Electrical Energy Producers Act; Definitions. Amend RSA 362-A:1-a, II-c to read as
2 follows:

3 II-c. "Municipal host" means a customer generator with a total peak generating capacity of
4 greater than one megawatt and less than 5 megawatts used to offset the electricity requirements of a
5 group consisting exclusively of one or more customers who are political subdivisions, provided that
6 all customers are located within the same utility franchise service territory. A municipal host shall
7 be located in the same municipality as all group members if the facility began operation after
8 January 1, 2021. A municipal host may be owned by either a public or private entity. For this
9 definition, "political subdivision" means any city, town, county, school district, chartered public
10 school, village district, school administrative unit, ***the university of New Hampshire system and***
11 ***component institutions, the community college system of New Hampshire and component***
12 ***institutions, any state entity***, or any district or entity created for a special purpose [administered]
13 or funded by any of the above-named governmental units.

14 2 Effective Date. This act shall take effect 60 days after its passage.

SB 370-FN- FISCAL NOTE
AS INTRODUCED

AN ACT allowing the university system and community college system to be municipal host electric customer generators.

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	Indeterminable	Indeterminable	Indeterminable
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Funding Source:	☒ General ☐ Education ☒ Highway ☒ Other - USNH Operating Funds, Various State 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 amends the definition of municipal host to include the university of New Hampshire and community college systems.

The Department of Energy indicates if the state opts to participate in group net metering arrangements under these provisions, revenues to the state or related cost savings could increase by an indeterminable amount to the extent that excess power generated by the municipal host facilities results in utility billing credits under the applicable net metering tariff. The Department assumes there is a potential to reduce state expenditures for electricity, as it would be generated by the municipal host's group net-metered facilities and not purchased. This does not take into account any expenditures for the purchase, lease, or installation of such facilities, whether directly by the state or by a municipal host with state financial support.

The Department states there is also potential for the state, counties, and local governments to see an increase in expenditures for electricity resulting from greater levels of net-metered facility development. Electric distribution utilities are required to credit net-metered electricity exports

at the default service rate, which is generally higher than wholesale market prices. Such higher costs would tend to increase utility electric rates, in turn increasing electricity costs for consumers, including the State, counties and municipalities. On the other hand, there is the potential that net-metered distributed generation may reduce transmission costs and avoid other utility costs, which would tend to reduce or otherwise mitigate the impact of any other cost increases. The Department is unable to quantify any such avoided costs, costs increases, or potential cost-shifting at this time. The Department is currently working with a consultant to study issues related to the value of distributed energy resources eligible to net meter, which study is expected to be completed by late Spring 2022.

The Director of Energy and Utilities at the University of New Hampshire (UNH) estimates a minimum annual savings of \$300,000 to the university by using its landfill gas plant to offset the small portion of power currently purchased from Eversource. This estimate is based on the difference between what UNH currently is compensated for generating power from its 4.6MW turbine (avg 3.5 cents per kWh) vs. the cost of purchasing power at the default rate of Eversource (avg 7 cents per kWh) over the last few years for the university's annual consumption of approximately 8.5 million kWh. The savings for the university system more broadly could be higher if UNH provided energy to other institutions within the system. The additional opportunity to sell energy to others in the Durham market area, including eligible CCSNH campuses, and thereby providing savings to others and added revenues for UNH, is indeterminable at this time.

The Community College System of New Hampshire (CCSNH) assumes this bill would allow the System to be among those eligible to be a municipal host electric customer generator. CCSNH further assumes the bill does not create any mandate or liability and therefore, CCSNH does not anticipate a fiscal impact.

AGENCIES CONTACTED:

The Department of Energy, University System of New Hampshire and Community College System of New Hampshire