

HB 524-FN - AS INTRODUCED

2023 SESSION

23-0733

02/08

HOUSE BILL                    **524-FN**

AN ACT                    relative to regional greenhouse gas initiative funds.

SPONSORS:            Rep. McGhee, Hills. 35

COMMITTEE:          Science, Technology and Energy

---

ANALYSIS

This bill raises the threshold price for allowance sales eligible for rebate under the energy efficiency fund.

-----

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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT                      relative to regional greenhouse gas initiative funds.

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

1            1    Regional Greenhouse Gas Initiative; Energy Efficiency Fund and Use of Auction Proceeds.  
2    Amend RSA 125-O:23, II to read as follows:

3            II.    All amounts in excess of the threshold price of [~~\$1~~] **\$3** for any allowance sale shall be  
4    rebated to all retail electric ratepayers in the state on a per-kilowatt-hour basis, in a timely manner  
5    to be determined by the commission.

6            2    Effective Date. This act shall take effect January 1, 2024.

**HB 524-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to regional greenhouse gas initiative funds.

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

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Energy Efficiency Fund, Various Government Funds			

**COUNTY:**

<b>Revenue</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable

**LOCAL:**

<b>Revenue</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable

**METHODOLOGY:**

The Departments of Energy and Environmental Services indicate this bill raises the \$1 per allowance rebate threshold for auction proceeds deposited into the Energy Efficiency Fund (EEF) to \$3. The distribution of proceeds from the EEF would not change from current law. Under current law, at least 15% of all remaining proceeds after rebates and after administrative costs would be allocated to the low-income core energy efficiency program. Up to \$2,000,000 annually would be allocated to municipal, school district, and local government energy efficiency projects. If any portion of the \$2,000,000 remains unrequested at the end of the program year, those remaining funds would be offered on a first-come, first-served basis to business and municipal customers who fund the systems benefit charge. Any remaining funds beyond the 15% and the \$2,000,000 would go to an all-fuels, comprehensive energy efficiency program.

The bill would not change gross revenue to the state compared with current law. Revenues from auction proceeds were \$43 million for calendar year 2022. Future revenues will vary depending upon the auction clearing prices and the decreasing amount of allowances offered, but for the purpose of this fiscal note, a constant \$43 million per year is assumed.

Regarding expenditures, under current law, revenue in excess of \$1 per allowance sold is allocated by the Public Utilities Commission for rebates to all electric ratepayers on a per-kilowatt-hour basis. The administrative costs for the program are approximately \$350,000. This bill raises the \$1 threshold for rebates to \$3. In 2022, 3,212,739 allowances were sold. This amount will decrease by 118,725 allowances per year. Prices ranged from \$12.99 to \$13.90. This translates into \$3.2 million being credited to the energy efficiency fund. Under this bill, the funds going into the energy efficiency fund would triple to \$9.6 million as shown in the table below:

(In Millions)	Current: \$1 per allowance	Proposed: \$3 per allowance
Auction Proceeds Revenue	\$43.00	\$43.00
Administrative Costs	-\$0.35	-\$0.35
Energy Efficiency Fund	\$3.2	\$9.6
Rebates to Ratepayers	\$39.45	\$33.05

The decrease in ratepayer rebates would result in some near-term increase in electricity costs for state, county, and local governments. Over the long-term, increased investment in energy efficiency projects would save ratepayers money. The costs and savings for state, county, and local governments are indeterminable.

**AGENCIES CONTACTED:**

Departments of Energy and Environmental Services