

SB 54-FN - AS INTRODUCED

2023 SESSION

23-0881

10/08

SENATE BILL        ***54-FN***

AN ACT            relative to purchased power agreements for electric distribution utilities.

SPONSORS:        Sen. Avar, Dist 12; Sen. Watters, Dist 4

COMMITTEE:      Energy and Natural Resources

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ANALYSIS

This bill requires electric distribution utilities to issue requests for proposals to provide more diverse and longer term options for providing default energy service to customers in purchased power agreements as directed by the public utilities commission.

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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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 purchased power agreements for electric distribution utilities.

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

1       1 Legislative Findings. The general court finds that in order to ensure that New Hampshire  
2 ratepayers and businesses can benefit from cost effective local energy sources in a time of  
3 unprecedented price volatility, it is appropriate to require the electric distribution utilities to issue  
4 requests for proposals to provide more diverse and longer term options for providing default energy  
5 service to customers.

6       2 Electric Renewable Portfolio Standard; Purchased Power Agreements. Amend RSA 362-F:9 to  
7 read as follows:

8       362-F:9 Purchased Power Agreements.

9       I. Upon the request of one or more electric distribution companies and after notice and  
10 hearing, the ~~[department of energy]~~ **public utilities commission** may authorize such company or  
11 companies to enter into multi-year purchase agreements with renewable energy sources for  
12 certificates, in conjunction with or independent of purchased power agreements from such sources, to  
13 meet reasonably projected renewable portfolio requirements and default service needs to the extent  
14 of such requirements, if it finds such agreements or such an approach, as may be conditioned by the  
15 ~~[department of energy]~~ **public utilities commission**, to be **just and reasonable and** in the public  
16 interest.

17       II. In ~~[determining the public interest, the department of energy shall find that]~~ **reviewing**  
18 **proposals under this section, the public utilities commission shall consider whether** the  
19 proposal is, on balance, substantially consistent with the following factors:

20           (a) The efficient and cost-effective realization of the purposes and goals of this chapter;

21           (b) The restructuring policy principles of RSA 374-F:3;

22           (c) The extent to which such multi-year procurements are likely to create a reasonable  
23 mix of resources, in combination with the company's overall energy and capacity portfolio, in light of  
24 the energy policy set forth in RSA 378:37 and either the distribution company's integrated least cost  
25 resource plan pursuant to RSA 378:37-41, if applicable, or a portfolio management strategy for  
26 default service procurement that balances potential benefits and risks to default service customers;

27           (d) The extent to which such procurement is conducted in a manner that is  
28 administratively efficient and promotes market-driven competitive innovations and solutions; ~~[and]~~

29           (e) Economic development and environmental benefits for New Hampshire[-];

1           ***(f) Rate impacts and benefits to ratepayers including costs reductions related to***  
2 ***renewable portfolio standard compliance, peak demand costs, or other costs of providing***  
3 ***default service;***

4           ***(g) Length of the contract, weighing the benefits to ratepayers in current market***  
5 ***conditions against the risk of fundamental market shifts over the term of the proposed***  
6 ***contract; and***

7           ***(h) Any other factors necessary to determine whether the proposal is just and***  
8 ***reasonable and in the public interest.***

9           III. ~~[The department of energy may authorize]~~ One or more distribution companies ~~[to]~~ ***may***  
10 coordinate or delegate procurement processes under this section.

11           IV. Rural electric cooperatives for which a certificate of deregulation is on file with the  
12 department of energy shall not be required to seek ~~[department of energy]~~ authorization for multi-  
13 year purchased power agreements or certificate purchase agreements under this section.

14           3 Purchase Power Agreements; Requests For Proposals; Report.

15           I. The electric distribution companies shall issue requests for proposals for multi-year  
16 purchase agreements for power from resources that qualify for Class I, Class II, Class III or Class IV  
17 renewable energy certificates, together with or independent from the purchase of renewable  
18 certificates, to meet a portion of their default service requirements, no later than 90 days after the  
19 effective date of this act. Each electric distribution utility may propose more than one contract,  
20 contracts with varying lengths and terms, alone or in conjunction with another utility, resulting  
21 from these requests for proposals. The public utilities commission shall review such proposals  
22 pursuant to RSA 362-F:9, as amended by this act, as expeditiously as possible.

23           II. Any costs related to complying with this section may be recovered in the administrative  
24 costs of procuring default service pursuant to RSA 374-F:3, V.

25           III. On or before 60 days after the close of the fiscal year ending June 30, 2024, the  
26 department of energy shall report to the fiscal committee of the general court and governor and  
27 executive council the status of proposals made under this act.

28           4 Effective Date. This act shall take effect 60 days after its passage.

**SB 54-FN- FISCAL NOTE**  
**AS INTRODUCED**

AN ACT                      relative to purchased power agreements for electric distribution utilities.

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

**METHODOLOGY:**

The Public Utilities Commission has indicated this bill will have no direct impact on state, county, or local expenditures or revenues.

**AGENCIES CONTACTED:**

Public Utilities Commission