

CHAPTER 40  
HB 374 – FINAL VERSION

13Mar2013... 0707h

2013 SESSION

13-0793  
09/01

HOUSE BILL           **374**

AN ACT               relative to electric utility investment in distributed energy resources.

SPONSORS:       Rep. Raymond, Belk 4; Rep. Suzanne Smith, Graf 8; Rep. DiMartino, Belk 2;  
Rep. Devine, Rock 4; Sen. Hosmer, Dist 7

COMMITTEE:       Science, Technology and Energy

---

ANALYSIS

This bill makes certain changes in requirements and rate recovery for electric utility investment in distributed energy resources.

-----

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

**CHAPTER 40**  
**HB 374 – FINAL VERSION**

13Mar2013... 0707h

13-0793  
09/01

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Thirteen*

AN ACT                   relative to electric utility investment in distributed energy resources.

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

1           40:1 Purpose. Amend RSA 374-G:1 to read as follows:

2           374-G:1 Purpose. Distributed energy resources can increase overall energy efficiency and  
3 provide energy ***security and*** diversity by eliminating, displacing, or better managing ***traditional***  
4 ***fossil fuel*** energy deliveries from the centralized bulk power grid, in keeping with the objectives of  
5 RSA 362-F:1. It is therefore in the public interest to stimulate investment in distributed energy  
6 resources in New Hampshire ***in diverse ways, including*** by encouraging New Hampshire electric  
7 public utilities to invest in ***renewable and clean*** distributed energy resources [~~including clean and~~  
8 ~~renewable generation~~] ***at the lowest reasonable cost to taxpayers*** benefiting the transmission  
9 and distribution system under state regulatory oversight.

10          40:2 Rate Filing; Authorization. RSA 374-G:5, I-III are repealed and reenacted to read as  
11 follows:

12           I. A New Hampshire electric public utility may seek rate recovery for its portion of  
13 investments in distributed energy resources from the commission by making an appropriate rate  
14 filing. At a minimum, such filing shall include the following:

15                   (a) A detailed description and economic and environmental evaluation of the proposed  
16 investment.

17                   (b) A discussion of the costs, benefits, and risks of the proposal with specific reference to  
18 the factors listed in paragraph II, including an analysis of the costs, benefits, and rate implications  
19 to the participating customers, to the company's default service customers, and to the utility's  
20 distribution customers.

21                   (c) A description of any equipment or installation specifications, solicitations, and  
22 procurements it has or intends to implement.

23                   (d) A showing that the utility has used a competitive bidding process to reasonably  
24 minimize the costs of the project to its customers.

25                   (e) A showing that it has made reasonable efforts to involve local businesses in its  
26 program.

27                   (f) Evidence of compliance with any applicable emission limitations.

28                   (g) A copy of any customer contracts or agreements to be executed as part of the  
29 program.

**CHAPTER 40**  
**HB 374 – FINAL VERSION**  
**- Page 2 -**

1           II. Prior to authorizing a utility’s recovery of investments made in distributed energy  
2 resources, the commission shall determine that the utility’s investment and its recovery in rates, as  
3 proposed, are in the public interest. Determination of the public interest under this section shall  
4 include giving a balanced consideration and proportional weight to each of the following factors:

5           (a) The effect on the reliability, safety, and efficiency of electric service.

6           (b) The efficient and cost-effective realization of the purposes of the renewable portfolio  
7 standards of RSA 362-F and the restructuring policy principles of RSA 374-F:3.

8           (c) The energy security benefits of the investment to the state of New Hampshire.

9           (d) The environmental benefits of the investment to the state of New Hampshire.

10           (e) The economic development benefits and liabilities of the investment to the state of  
11 New Hampshire.

12           (f) The effect on competition within the region’s electricity markets and the state’s  
13 energy services market.

14           (g) The costs and benefits to the utility’s customers, including but not limited to a  
15 demonstration that the company has exercised competitive processes to reasonably minimize costs of  
16 the project to ratepayers and to maximize private investment in the project.

17           (h) Whether the expected value of the economic benefits of the investment to the utility’s  
18 ratepayers over the life of the investment outweigh the economic costs to the utility’s ratepayers.

19           (i) The costs and benefits to any participating customer or customers.

20           III. Authorized and prudently incurred investments shall be recovered under this section in  
21 a utility’s base distribution rates as a component of rate base, and cost recovery shall include the  
22 recovery of depreciation, a return on investment, taxes, and other operating and maintenance  
23 expenses directly associated with the investment, net of any offsetting revenues received by the  
24 utility directly attributable to the investment. The utility may recover all reasonable costs  
25 associated with the filing, whether or not the application is approved by the commission.

26           40:3 Effective Date. This act shall take effect 60 days after its passage.

27           Approved: June 4, 2013

28           Effective Date: August 3, 2013