

CHAPTER 272
SB 148-FN – FINAL VERSION

03/28/13 1069s
5June2013... 1730h
5June2013... 2010h
06/26/13 2177CofC

2013 SESSION

13-0979
09/01

SENATE BILL ***148-FN***

AN ACT relative to electric renewable portfolio standards and relative to group and individual health insurance market rules.

SPONSORS: Sen. Bradley, Dist 3; Sen. Boutin, Dist 16; Sen. Carson, Dist 14; Sen. Cataldo, Dist 6; Sen. Forrester, Dist 2; Sen. Fuller Clark, Dist 21; Sen. Odell, Dist 8; Sen. Woodburn, Dist 1; Rep. Chandler, Carr 1; Rep. Kaen, Straf 5; Rep. Pastor, Graf 12

COMMITTEE: Energy and Natural Resources

AMENDED ANALYSIS

 This bill makes adjustments in the purchase percentage requirements and the alternative compliance payment amount and mechanism under the electric renewable portfolio standards law. This bill establishes a renewable portfolio standards study committee.

 This bill also makes changes to the statute applicable to health insurance carriers offering major medical health insurance coverage in the group and individual markets in New Hampshire.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to electric renewable portfolio standards and relative to group and individual health insurance market rules.

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

1 272:1 Minimum Electric Renewable Portfolio Standards. Amend RSA 362-F:3 to read as follows:
2 362-F:3 Minimum Electric Renewable Portfolio Standards. For each year specified in the table
3 below, each provider of electricity shall obtain and retire certificates sufficient in number and class
4 type to meet or exceed the following percentages of total megawatt-hours of electricity supplied by
5 the provider to its end-use customers that year, except to the extent that the provider makes
6 payments to the renewable energy fund under RSA 362-F:10, II:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2025</u> <i>and thereafter</i>
9 Class I	0.0%	0.5%	1%	2%	3%	[4%] 3.8%	5%	6%	15% (*)
10 Class II	0.0%	0.0%	0.04%	0.08%	0.15%	0.2%	0.3%	0.3%	0.3%
11 Class III	3.5%	4.5%	5.5%	6.5%	[6.5] 1.4%	[6.5% 1.5%	[7.0% 3.0%	8.0%	8.0%
12 Class IV	0.5%	1%	1%	1%	1%	1.3%	1.4%	1.5%	1.5%

13 *Class I increases an additional 0.9 percent per year from 2015 through 2025. A set percentage
14 of the class I totals shall be satisfied annually by the acquisition of renewable energy certificates
15 from qualifying renewable energy technologies producing useful thermal energy as defined in
16 RSA 362-F:2, XV-a. The set percentage shall be ~~[0.2 percent in 2013,]~~ 0.4 percent in 2014, **0.6**
17 **percent in 2015, 1.3 percent in 2016**, and increased annually by ~~[0.2]~~ **0.1** percent per year from
18 ~~[2015 through 2025]~~ **2017 through 2023, after which it shall remain unchanged.** Classes II-IV
19 remain at the same percentages from 2015 through 2025 except as provided in RSA 362-F:4, V-VI.

20 272:2 Electric Renewable Energy Classes; Class 1 (New). Amend RSA 362-F:4, I(l) to read as
21 follows:

22 (l) Biomass renewable energy technologies producing useful thermal energy that began
23 operation after January 1, 2013 provided that:

24 (1) If the unit is a biomass unit rated between 3 and 30 Mmbtu/hr design gross heat
25 input, ~~[and has]~~ **it shall have** an average particulate emission rate of less than or equal to 0.10
26 lbs/Mmbtu as measured and verified by conducting and reporting the results of a one-time initial
27 stack test in accordance with methods approved by the department;

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(2) If the unit is a biomass unit rated equal to or greater than 30 Mmbtu/hr design gross heat input, ~~[and has]~~ ***it shall have*** an average particulate emission rate of less than or equal to 0.02 lbs/Mmbtu as measured and verified under RSA 362-F:12;

(3) If the unit is a biomass unit rated less than 100 Mmbtu/hr design gross heat input, ~~[and it implements]~~ best management practices as determined by the department ***shall be implemented***; and

(4) If the unit is a biomass unit rated equal to or greater than 100 Mmbtu/hr design gross heat input, ~~[and it has]~~ ***it shall have*** a quarterly average NOx emission rate of less than or equal to 0.075 Mmbtu/hr as measured and verified under RSA 362-F:12[-]; ***and***

(5) If the unit is an upgrade or replacement to an existing source of thermal energy that used biomass as its primary fuel source in its normal operation prior to January 1, 2013, then the unit shall be a combined heat and power unit that provides district heating, and at least 80 percent of the resulting tax basis of the unit's plant and equipment, but not its property and intangible assets, shall be derived from capital investments directly related to the upgrade or replacement and made on or after January 1, 2013.

272:3 Renewable Energy Fund; Rates RSA 362-F:10, III is repealed and reenacted to read as follows:

III.(a) Beginning in 2013, the commission shall adjust these rates by January 31 of each year using the Consumer Price Index as published by the Bureau of Labor Statistics of the United States Department of Labor for classes III and IV and 1/2 of such Index for classes I and II.

(b) In lieu of the adjustments under subparagraph (a) for class III in 2015, 2016 and 2017, the class rate in each of those years shall be \$45.

(c) By January 31, 2018 the commission shall compute the 2018 class III rate to equal the rate that would have resulted in 2018 by the application of subparagraph (a) to the 2013 rate and each subsequent year's rate to 2018.

(d) In 2019 and thereafter, the class III rate shall be determined by application of subparagraph (a) to the prior year's rate.

272:4 Renewable Portfolio Standards Study Committee.

I.(a) There is established a renewable portfolio standards study committee to study:

(1) Whether to alter the class III alternative compliance payment rates for 2018 and any subsequent years;

(2) Whether to alter the class I, II, and IV alternative compliance payment rate in 2015 and any subsequent years;

(3) The impact that alternative compliance payments in New Hampshire and other New England states have upon the production of renewable energy;

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- 1 (4) Methods to protect electric customers from increasing energy prices;
- 2 (5) The shortfall potential, if any, and reasons for the shortfall potential in the
- 3 purchase percentage requirements of RSA 362-F:3; and
- 4 (6) Whether to create a cap and rebate program for the renewable energy fund to
- 5 protect electric customers from higher electric rates; and
- 6 (7) The impact of renewable portfolio standards in other New England states on
- 7 New Hampshire.
- 8 (b) The members of the committee shall be as follows:
- 9 (1) Two members of the senate who are members of the energy and natural resources
- 10 committee, appointed by the president of the senate.
- 11 (2) Three members of the house of representatives who are members of the science,
- 12 technology and energy committee, appointed by the speaker of the house of representatives.
- 13 II. Members of the committee shall receive mileage at the legislative rate when attending to
- 14 the duties of the committee.
- 15 III. The committee shall study:
- 16 (a) Whether to alter the class III alternative compliance payment rate for 2018 and any
- 17 subsequent years, and, if so shall propose any such changes or formula for change;
- 18 (b) Whether to alter the class I, II, and IV alternative compliance payment rates in 2015
- 19 and any subsequent years, and, if so shall propose any such changes or formula for change;
- 20 (c) The impact that alternative compliance payments in New Hampshire and other
- 21 New England states have upon the production of renewable energy;
- 22 (d) Methods to protect electric customers from increasing energy prices and impacts of
- 23 the renewable portfolio standard on the competitive market for electricity;
- 24 (e) The shortfall potential, if any, and reasons for the shortfall potential in the purchase
- 25 percentage requirements of RSA 362-F:3, and may propose a mechanism to provide a credit or other
- 26 after the fact adjustment device against potential alternative compliance payments when the
- 27 purchase percentage requirement has not been met due to eligible facilities selling into another
- 28 jurisdiction's renewable portfolio standards market;
- 29 (f) Whether to create a cap and rebate program for the renewable energy fund to protect
- 30 electric customers from higher electric rates;
- 31 (g) The impact of renewable portfolio standards in other New England states on
- 32 New Hampshire;
- 33 (h) The impact of any proposed changes to the renewable portfolio standard on pre-
- 34 existing retail and wholesale supply contracts; and
- 35 (i) The need to better coordinate and standardize renewable portfolio standards among
- 36 the New England states within the ISO-NE.

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1 IV. The committee shall solicit input from any individual or organization with relevant
2 information or expertise.

3 V. The members of the study committee shall elect a chairperson from among the members.
4 The first meeting of the committee shall be called by the first-named senate member. The first
5 meeting of the committee shall be held within 45 days of the effective date of this section. Four
6 members of the committee shall constitute a quorum.

7 VI. The committee shall report its findings and any recommendations for proposed
8 legislation to the speaker of the house of representatives, the president of the senate, the house clerk,
9 the senate clerk, the governor, and the state library on or before November 1, 2013.

10 272:5 Premium Rates. RSA 420-G:4, I(d) is repealed and reenacted to read as follows:

11 (d) In establishing the premium charged, health carriers providing coverage to
12 individuals and small employers shall calculate a rate that is derived from the health coverage plan
13 rate through the application of rating factors that the carrier chooses to utilize consistent with 42
14 U.S.C. section 300gg and any regulations adopted thereunder, except that the state shall constitute a
15 single geographic rating area. Nothing in this subparagraph shall be construed to expand the
16 authority of the commissioner to adopt rules pursuant to RSA 541-A.

17 272:6 Repeal. RSA 420-G:4, I(e), relative to plan rate adjustments, is repealed.

18 272:7 Effective Date.

19 I. Sections 5 and 6 of this act shall take effect January 1, 2014.

20 II. The remainder of this act shall take effect upon its passage.

21
22 Approved: July 24, 2013

23
24 Effective Date: I. Sections 5 and 6 shall take effect January 1, 2014.

25 II. Remainder shall take effect July 24, 2013.