

HB 1443 – AS INTRODUCED

2014 SESSION

14-2115
06/05

HOUSE BILL **1443**

AN ACT relative to renewable portfolio standards.

SPONSORS: Rep. Flanagan, Hills 26; Rep. Murotake, Hills 32; Sen. Cataldo, Dist 6

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill deletes electric renewable energy classes from the electric renewable portfolio standards.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fourteen

AN ACT relative to renewable portfolio standards.

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

1 1 Electric Renewable Portfolio Standard; Definitions; Renewable Energy Source; Useful Thermal
2 Energy Amend RSA 362-F:2, XV and XV-a to read as follows:

3 XV. “Renewable energy source,” “renewable source,” or “source” means [~~a class I, II, III, or~~
4 ~~IV source of electricity or a class I source of useful thermal energy~~] **energy derived from hydro,**
5 **geothermal, wind, solar thermal, photovoltaic, biomass, methane waste, or tidal sources.**

6 An electrical generating facility, while selling its electrical output at long-term rates established
7 before January 1, 2007 by orders of the commission under RSA 362-A:4, shall not be considered a
8 renewable source.

9 XV-a. “Useful thermal energy” means **future** renewable energy delivered from [~~class I~~]
10 sources that can be metered and that is delivered in New Hampshire to an end user in the form of
11 direct heat, steam, hot water, or other thermal form that is used for heating, cooling, humidity
12 control, process use, or other valid thermal end use energy requirements and for which fuel or
13 electricity would otherwise be consumed.

14 2 Minimum Electric Renewable Portfolio Standards. RSA 362-F:3 is repealed and reenacted to
15 read as follows:

16 362-F:3 Minimum Electric Renewable Portfolio Standards.

17 I. For the following years, each provider of electricity shall obtain and retire certificates from
18 any source sufficient in number to meet or exceed the specified percentages of total megawatt-hours
19 of electricity supplied by the provider to its end-use customers that year, except to the extent that
20 the provider makes payments to the renewable energy fund under RSA 362-F:10, II:

- 21 (a) 2014 – 8 percent.
22 (b) 2015 – 10 percent.
23 (c) 2025 – 20 percent.

24 II. From 2015 through 2025, the percentage shall increase by one percent per year up to a
25 maximum of 20 percent.

26 3 Commission Review and Report. Amend RSA 362-F:5 to read as follows:

27 362-F:5 Commission Review and Report. Commencing in January 2011, 2018, and 2025 the
28 commission shall conduct a review of the [~~class requirements in RSA 362-F:3 and other aspects of~~
29 ~~the~~] electric renewable portfolio standard program established by this chapter. Thereafter, the
30 commission shall make a report of its findings to the general court by November 1, 2011, 2018, and
31 2025, respectively, including any recommendations for changes to the [~~class requirements or other~~

1 ~~aspects of the~~ electric renewable portfolio standard program. The commission shall review, in light
2 of the purposes of this chapter and with due consideration of the importance of stable long-term
3 policies:

4 I. The adequacy or potential adequacy of sources to meet the class requirements of RSA 362-
5 F:3;

6 II. ~~[The class requirements of all sources in light of existing and expected market conditions;~~

7 ~~III.]~~ The ~~[potential for]~~ **implementation of the** addition of a thermal energy component to
8 the electric renewable portfolio standard;

9 **III. Modifications to the source percent requirements, after 2025.**

10 IV. ~~[Increasing the class requirements relative to classes I and II beyond 2025;~~

11 ~~V.]~~ The possible introduction of any new ~~[classes such as an energy efficiency class or the~~
12 ~~consolidation of existing ones]~~ **source of energy that would qualify as a renewable energy**
13 **source;**

14 ~~[VI.]~~ V. The timeframe and manner in which new renewable ~~[class I and II sources might~~
15 ~~transition to and]~~ **technology will** be treated as ~~[existing]~~ renewable **energy** sources ~~[and if~~
16 ~~appropriate, how corresponding portfolio standards of new and existing sources might be adjusted];~~

17 ~~[VII.]~~ VI. The experience with and an evaluation of the benefits and risks of using multi-
18 year purchase agreements for certificates, along with purchased power, relative to meeting the
19 purposes and goals of this chapter at the least cost to consumers and in consideration of the
20 restructuring policy principles of RSA 374-F:3; ~~and]~~

21 ~~[VIII.]~~ VII. Alternative methods for renewable portfolio standard compliance, such as
22 competitive procurement through a centralized entity on behalf of all consumers in all areas of the
23 state~~[-]; and~~

24 ~~[IX.]~~ VIII. The distribution of the renewable energy fund established in RSA 362-F:10.

25 4 Renewable Energy Certificates. Amend RSA 362-F:6, II-a to read as follows:

26 II-a. The commission shall establish a methodology to estimate the total yearly production
27 for customer-sited sources that are net metered under RSA 362-A:9 and for which ~~[class I or II]~~
28 certificates are not issued. For purposes of estimation, the commission shall use a capacity factor
29 rating of 20 percent for each installation ~~[and shall keep class II production separate from class I~~
30 ~~production]~~. Providers of electricity required to obtain and retire certificates under RSA 362-F:3
31 shall receive an annual credit for such production. By February 28 of each year, the commission
32 shall compute and make public credit percentages that are equal to the estimated production for the
33 prior calendar year ~~[in each class]~~ divided by the total amount of electricity supplied by providers of
34 electricity to end-use customers in the prior calendar year, with the result converted to a percentage.
35 Each provider may then, at the time of its annual report filing under RSA 362-F:8, claim a ~~[class I~~
36 ~~and a class II]~~ certificate credit equal to the credit percentage times the total megawatt-hours of
37 electricity supplied by the provider to its end-use customers the prior calendar year.

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1 5 Sale, Exchange, and Use of Certificates. Amend RSA 362-F:7, I to read as follows:

2 362-F:7 Sale~~[, Exchange,]~~ and Use of Certificates.

3 I. A certificate may be sold ~~[or otherwise exchanged by the source to which it was initially~~
4 ~~issued or]~~ by any ~~[other]~~ person or entity that acquires the certificate. A certificate may only be used
5 once for compliance with the requirements of this chapter. It may not be used for compliance with
6 this chapter if it has been or will be used for compliance with any similar requirements of another
7 non-federal jurisdiction, or otherwise sold, retired, claimed, or represented as part of any other
8 electrical energy output or sale. Certificates shall only be used by providers of electricity for
9 compliance with the requirements of RSA 362-F:3 in the year in which the generation represented by
10 the certificate was produced, except that unused certificates ~~[of the proper class]~~ issued for
11 production during the prior 2 years may be used to meet up to 30 percent of a provider's
12 requirements ~~[for a given class obligation]~~ in the current year of compliance.

13 6 Renewable Energy Fund. Amend RSA 362-F:10, I-V to read as follows:

14 I. There is hereby established a renewable energy fund. This nonlapsing, special fund shall
15 be continually appropriated to the commission to be expended in accordance with this section. The
16 state treasurer shall invest the moneys deposited therein as provided by law. Income received on
17 investments made by the state treasurer shall also be credited to the fund. All payments to be made
18 under this section shall be deposited in the fund. **One-half of** the moneys paid into the fund under
19 paragraph II of this section~~[, excluding class II moneys,]~~ shall be used by the commission to support
20 thermal ~~[and]~~, electrical renewable energy, **and solar** initiatives **and ½ shall be used to reduce**
21 **rates for all customers.** ~~[Class II moneys shall primarily be used to support solar energy~~
22 ~~technologies in New Hampshire.]~~ All initiatives supported out of these funds shall be subject to
23 audit by the commission as deemed necessary. All fund moneys ~~[including those from class II]~~ may
24 be used to administer this chapter, but all new employee positions shall be approved by the fiscal
25 committee of the general court. No new employees shall be hired by the commission due to the
26 inclusion of useful thermal energy ~~[in class I production].~~

27 II. In lieu of meeting the portfolio requirements of RSA 362-F:3 for a given year if, and to the
28 extent sufficient certificates are not otherwise available at a price below the amounts specified in
29 this paragraph, an electricity provider may, at the time of report submission for that year under
30 RSA 362-F:8, make payment to the commission at the ~~[following rates]~~ **rate of \$55** for each
31 megawatt-hour not met ~~[for a given class obligation]~~ through the acquisition of certificates.

32 ~~[(a) Class I—\$55, except for that portion of the class electric renewable portfolio~~
33 ~~standards to be met by qualifying renewable energy technologies producing useful thermal energy~~
34 ~~under RSA 362-F:3 which shall be \$25 beginning January 1, 2013.~~

35 ~~(b) Class II—\$55.~~

36 ~~(c) Class III—\$31.50.~~

37 ~~(d) Class IV—\$26.50.]~~

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

4 ~~[(b) In lieu of the adjustments under subparagraph (a) for class III in 2015, 2016 and~~
5 ~~2017, the class rate in each of those years shall be \$45.~~

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

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

11 IV. The commission shall make an annual report by October 1 of each year, beginning in
12 2009, to the legislative oversight committee on electric utility restructuring established under
13 RSA 374-F:5, the house science, technology and energy committee, and the senate energy and
14 natural resources committee detailing how the renewable energy fund is being used and any
15 recommended changes to such use. The report shall also include information on the total peak
16 generating capacity that is net energy metered under RSA 362-A:9 within the franchise area of each
17 electric distribution utility, and the percentage this represents of the amount that is allowed to be
18 net metered within each franchise area. Information shall be provided on net metered group host
19 registrations and the associated customer groups, including number and location of group host
20 facilities, generation by renewable source and size of facility, and group load served by such facilities.

21 ~~[V. The public utilities commission shall make and administer a one-time incentive payment~~
22 ~~of \$3 per watt of nominal generation capacity up to a maximum payment of \$6,000, or 50 percent of~~
23 ~~system costs, whichever is less, per facility to any residential owner of a small renewable generation~~
24 ~~facility, that would qualify as a Class I or Class II source of electricity, has a total peak generation~~
25 ~~capacity of 10 kilowatts or fewer, begins operation on or after July 1, 2008, and is located on or at the~~
26 ~~owner's residence.]~~

27 7 Repeal. The following are repealed:

28 I. RSA 362-F:4, relative to electric renewable energy classes.

29 II. RSA 362-F:13, V and VI, relative rulemaking for classification of generation facilities.

30 8 Effective Date. This act shall take effect 60 days after its passage.