

CHAPTER 129
HB 1540 – FINAL VERSION

25Mar2014... 0837h
05/01/14 1499s
05/01/14 1642s
05/08/14 1682s

2014 SESSION

14-2492
06/01

HOUSE BILL ***1540***

AN ACT relative to least cost integrated resource plans filed by an electric utility.

SPONSORS: Rep. Backus, Hills 19

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill changes the requirements for least cost integrated resource plans to be filed with the public utilities commission by electric utilities.

This bill is a request of the public utilities commission.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fourteen

AN ACT relative to least cost integrated resource plans filed by an electric utility.

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

1 129:1 Least Cost Energy Planning; Energy Policy. Amend RSA 378:37 through RSA 378:40 to
2 read as follows:

3 378:37 New Hampshire Energy Policy. The general court declares that it shall be the energy
4 policy of this state to meet the energy needs of the citizens and businesses of the state at the lowest
5 reasonable cost while providing for the reliability and diversity of energy sources; ~~[the protection of]~~
6 ***to maximize the use of cost effective energy efficiency and other demand side resources; and***
7 ***to protect*** the safety and health of the citizens, the physical environment of the state, and the future
8 supplies of ~~[nonrenewable]~~ resources~~[-and]~~, ***with*** consideration of the financial stability of the
9 state's utilities.

10 378:38 Submission of Plans to the Commission. Pursuant to the policy established under
11 RSA 378:37, each electric ***and natural gas*** utility, ***under RSA 362:2***, shall file a least cost
12 integrated resource plan with the commission ~~[at least biennially]~~ ***within 2 years of the***
13 ***commission's final order regarding the utility's prior plan, and in all cases within 5 years***
14 ***of the filing date of the prior plan.*** Each such plan shall include, but not be limited to, the
15 following, ***as applicable:***

- 16 I. A forecast of future ~~[electrical]~~ demand for the utility's service area.
- 17 II. An assessment of demand-side energy management programs, including conservation,
18 efficiency ~~[improvement]~~, and load management programs.
- 19 III. An assessment of supply options ***including owned capacity, market procurements,***
20 ***renewable energy, and distributed energy resources.***
- 21 IV. An assessment of ***distribution and*** transmission requirements, ***including an***
22 ***assessment of the benefits and costs of "smart grid" technologies.***
- 23 ~~V. Provision for diversity of supply sources.~~
- 24 ~~VI. Integration of demand side and supply side options.~~
- 25 ~~VII.]~~ V. An assessment of plan integration and impact on state compliance with the Clean
26 Air Act ~~[Amendments]~~ of 1990, ***as amended, and other environmental laws that may impact a***
27 ***utility's assets or customers.***

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1 ~~[VIII. An assessment of plan integration and impact on state compliance with the National~~
2 ~~Energy Policy Act of 1992.~~

3 ~~IX.] VI.~~ An assessment of the plan's long- and short-term environmental, economic, and
4 energy price and supply impact on the state.

5 **VII. An assessment of plan integration and consistency with the state energy**
6 **strategy under RSA 4-E:1.**

7 378:38-a Waiver by Commission. The commission, **by order**, may waive **for good cause** any
8 requirement ~~[to file least cost integrated resource plans by an electric utility under RSA 378:38,~~
9 ~~except for plans relating to transmission and distribution]~~ **under RSA 378:38, upon written**
10 **request by a utility.**

11 378:39 Commission Evaluation of Plans. The commission shall review ~~[proposals for]~~ integrated
12 least-cost resource plans in order to evaluate the ~~[adequacy]~~ **consistency** of each utility's ~~[planning~~
13 ~~process]~~ **plan with this subdivision, in an adjudicative proceeding.** In deciding whether or not
14 **to approve** the utility's ~~[planning process is adequate]~~ **plan**, the commission shall consider
15 potential environmental, economic, and health-related impacts of each proposed option. The
16 commission is encouraged to consult with appropriate state and federal agencies, alternative and
17 renewable fuel industries, and other organizations in evaluating such impacts. **The commission's**
18 **approval of a utility's plan shall not be deemed a pre-approval of any actions taken or**
19 **proposed by the utility in implementing the plan.** Where the commission determines the
20 options have equivalent financial costs, equivalent reliability, and equivalent environmental,
21 economic, and health-related impacts, the following order of **energy policy** priorities shall guide the
22 commission's evaluation:

- 23 I. **Energy efficiency and other** demand-side management **resources;**
24 II. Renewable energy sources;
25 III. All other energy sources.

26 378:40 Plans Required. No rate change shall be approved or ordered with respect to any utility
27 that does not have on file with the commission a plan that has been filed and ~~[reviewed]~~ **approved**
28 in accordance with the provisions of RSA 378:38 and RSA 378:39. However, nothing contained in
29 this subdivision shall prevent the commission from approving a change, otherwise permitted by
30 statute or agreement, where the utility has made the required plan filing in compliance with
31 RSA 378:38 and the process of review is proceeding in the ordinary course but has not been
32 completed.

33 129:2 Definitions of Terms; Public Utility. Amend RSA 362:2, II to read as follows:

34 II. For the purposes of this title only, rural electric cooperatives for which a certificate of
35 deregulation is on file with the public utilities commission pursuant to RSA 301:57 shall not be
36 considered public utilities; provided, however, that the provisions of RSA 362-A, 363-B, 371, 374:2-a,

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1 374:26, ~~374:48-56~~, 374-A, 374-C, 374-F, and 378:37[-39] shall, unless otherwise provided herein, be
2 applicable to rural electric cooperatives, without regard to whether a certificate of regulation or
3 deregulation is on file with the public utilities commission. The provisions of RSA 374-A and the
4 provisions of RSA 374-F:3, V(b) and (f) and RSA 374-F:7 shall be applicable to rural electric
5 cooperatives for which a certificate of deregulation is on file with the public utilities commission to
6 the same extent as municipal utilities.

7 129:3 Repeal. The following are repealed:

8 I. RSA 378:41, relative to conformity of plans.

9 II. RSA 378:42, relative to existing rate plans.

10 129:4 Effective Date. This act shall take effect 60 days after its passage.

11 Approved: June 16, 2014

12 Effective Date: August 15, 2014