

SB 65-FN – AS INTRODUCED

2013 SESSION

13-0922

06/10

SENATE BILL

65-FN

AN ACT

relative to energy efficiency plans of gas and electric distribution companies.

SPONSORS:

Sen. Fuller Clark, Dist 21; Rep. Pastor, Graf 12; Rep. Bixby, Straf 17

COMMITTEE:

Energy and Natural Resources

ANALYSIS

This bill requires gas and electric distribution companies to report plans for energy investment to 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 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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Thirteen

AN ACT relative to energy efficiency plans of gas and electric distribution companies.

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

1 1 New Hampshire Energy Policy Statement. It is the general policy of the state to assure, to the
2 greatest extent practicable, that New Hampshire meets its energy needs in a manner that, first and
3 foremost:

- 4 I. Advances efficient use of all types of energy resources that are reliable and sustainable.
5 II. Assures affordability and encourages the state's economic vitality.
6 III. Promotes the state's goals with regard to the protection of New Hampshire's
7 environmental quality.
8 IV. Promotes, for the benefit of New Hampshire's residents, businesses, and communities,
9 the acquisition of all cost-effective gas and electric energy efficiency and demand resources that can
10 be obtained at a lower cost than conventional supply.

11 2 New Section; Least Cost Energy Planning; Submission of Electric and Gas Distribution
12 Company Plans. Amend RSA 379 by inserting after section 39 the following new section:

13 378:39-a Submission of Plans by Electric and Gas Distribution Companies. Electric and gas
14 distribution companies shall, on or before April 30, 2014 and every third year subsequently, prepare
15 and submit to the public utilities commission statewide plans for energy investment. Both the gas
16 and the electric plans shall provide for the acquisition of all available energy efficiency and demand
17 reduction resources that are cost effective or less than the cost of supply. The plans shall:

- 18 I. Contain savings targets and preliminary budgets and be prepared taking into account the
19 work of the energy efficiency and sustainable energy board.
20 II. Maximize the development of service delivery systems that overcome obstacles to
21 customer investment in efficiency.
22 III. Provide integrated service offerings that are both convenient for consumers and
23 facilitate development of supportive private-sector efficiency infrastructure.

24 3 Plans Required. Amend RSA 378:40 to read as follows:

25 378:40 Plans Required. No rate change shall be approved or ordered with respect to any utility
26 that does not have on file with the commission a plan that has been filed and reviewed in accordance
27 with the provisions of RSA 378:38 [~~and~~], RSA 378:39 **and RSA 378:39-a**. However, nothing contained
28 in this subdivision shall prevent the commission from approving a change, otherwise permitted by
29 statute or agreement, where the utility has made the required plan filing in compliance with RSA
30 378:38 and the process of review is proceeding in the ordinary course but has not been completed.

31 4 Effective Date. This act shall take effect 60 days after its passage.

SB 65 FISCAL NOTE

AN ACT relative to energy efficiency plans of gas and electric distribution companies.

FISCAL IMPACT:

The Public Utilities Commission states this bill, as introduced, will have an indeterminable impact on state, county, and local expenditures in FY 2014 and each fiscal year thereafter. There will be no fiscal impact on state, county, and local revenues.

METHODOLOGY:

The Public Utilities Commission states this bill requires gas and electric distribution companies to report plans for energy investment to the Commission on or before April 30, 2014. The bill further clarifies no rate changes for gas and electric distribution companies shall be approved by the Commission unless the distribution companies filed a plan with the Commission and the Commission has reviewed that plan. Additionally, the Commission notes the proposed legislation directs the gas and electric plans to “provide for the acquisition of all available energy efficiency and demand reduction resources that are cost effective or less than the cost of supply.” The Commission states this directive could have an indeterminable impact on energy rates and subsequently state, county, and local expenditures in FY 2014 and each fiscal year thereafter. Based on a study conducted by GDS Associates, the Commission estimates this directive could potentially increase annual spending by gas and electric distribution companies by \$166,000,000 per year. The study, which took a comprehensive review of additional energy efficiency opportunities in New Hampshire over a ten year period, notes moving New Hampshire to the maximum achievable cost effective level would have a total ten year cost of over \$1,800,000,000 and would result in annual benefits of approximately \$528,000,000.

The Commission states any increase in annual spending by gas and electric distribution companies, as well as any subsequent efficiencies obtained through the increases in annual spending would ultimately be passed on to ratepayers. However, the Commission is unable to anticipate to what extent the additional spending would impact energy rates or to what extent and when the subsequently acquired efficiencies would counter the impact of increased spending.