

HB 208-FN – AS AMENDED BY THE SENATE

18Feb2015... 0139h
06/04/2015 1970s

2015 SESSION

15-0268
09/10

HOUSE BILL **208-FN**

AN ACT relative to allowance sales under the New Hampshire regional greenhouse gas initiative program.

SPONSORS: Rep. Barry, Hills 21; Rep. Moore, Hills 21; Rep. Notter, Hills 21

COMMITTEE: Science, Technology and Energy

AMENDED ANALYSIS

This bill changes the allocation of proceeds received from allowance sales under the New Hampshire regional greenhouse gas initiative program.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to allowance sales under the New Hampshire regional greenhouse gas initiative program.

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

1 1 Energy Efficiency Fund and Use of Auction Proceeds. Amend RSA 125-O:23, II and III to
2 read as follows:

3 II. All amounts [~~in excess of the threshold price of \$1 for any allowance sale~~] shall be
4 **allocated to the commercial and industrial retail electric customers and the residential**
5 **retail electric customers consistent with the kilowatt-hour delivery sales of electric**
6 **distribution utilities as determined by the commission. All of the commercial and**
7 **industrial retail electric customer allocations shall be** rebated to all [~~retail electric ratepayers~~]
8 **commercial and industrial retail customers** in the state on a per-kilowatt-hour basis, in a
9 timely manner to be determined by the commission.

10 III. All remaining proceeds received by the state from the sale of allowances, excluding the
11 amount used for commission and department administration under paragraph I, shall be allocated
12 by the commission as follows:

13 (a) At least [~~15~~] **30** percent to the low-income core energy efficiency program.

14 (b) Beginning January 1, [~~2014~~] **2016**, [~~up to \$2,000,000~~] **the remainder** annually to
15 utility core programs for municipal, **school district**, and local government energy efficiency projects,
16 including projects by local governments that have their own municipal utilities. Funding elements
17 shall include, but not be limited to, funding for direct technical and project management assistance
18 to identify and encourage comprehensive projects and incentives structured to assist municipal and
19 local governments funding energy efficiency projects. In calendar years 2014, 2015, and 2016, any
20 unused funds allocated to municipal and local government projects under this paragraph remaining
21 at the end of the year shall roll over and be added to the new calendar year program funds and
22 continue to be made available exclusively for municipal and local government projects. Beginning in
23 calendar year 2017, and all subsequent years, funds allocated to municipal and local government
24 projects under this paragraph shall be offered first to municipal and local governments as described
25 in this paragraph for no less than 4 full calendar months. If, at the end of this time, municipal and
26 local governments have not submitted requests for eligible projects that will expend the funds
27 allocated to municipal and local government projects under this paragraph within that program
28 year, the funds shall be offered on a first-come, first-serve basis to business and municipal customers
29 who fund the system benefits charge.

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1 ~~[(e) The remainder to all fuels, comprehensive energy efficiency programs administered~~
2 ~~by qualified parties which may include electric distribution companies as selected through a~~
3 ~~competitive bid process. The funding shall be distributed among residential, commercial, and~~
4 ~~industrial customers based upon each customer class's electricity usage to the greatest extent~~
5 ~~practicable as determined by the commission. Bids shall be evaluated based on, but not limited to,~~
6 ~~the following criteria:~~

7 ~~(1) A benefit/cost ratio analysis including all fuels.~~

8 ~~(2) Demonstrated ability to provide a comprehensive, fuel neutral program.~~

9 ~~(3) Demonstrated infrastructure to effectively deliver such program.~~

10 ~~(4) Experience of the bidder in administering energy efficiency programs.~~

11 ~~(5) Ability to reach out to customers.~~

12 ~~(6) The validity of the energy saving assumptions described in the bid.]~~

13 2 Repeal. RSA 125-O:23, IV and V, relative to use of remaining proceeds received by the state
14 from the sale of allowances, are repealed.

15 3 Effective Date. This act shall take effect 60 days after its passage.

HB 208-FN FISCAL NOTE

AN ACT relative to allowance sales under the New Hampshire regional greenhouse gas initiative program.

FISCAL IMPACT:

The Public Utilities Commission and the Department of Environmental Services state this bill, **as amended by the House (Amendment #2015-0139h)**, will reduce local revenues by \$2,000,000 in FY 2016 and each year thereafter, and will have an indeterminable fiscal impact on county and local expenditures and county revenue in FY 2016 and each year thereafter. There will be no impact on state revenue or expenditures.

METHODOLOGY:

The Public Utilities Commission (PUC) and the Department of Environmental Services (DES) state this bill amends the distribution of the energy efficiency fund, after administrative costs, by lowering the rebate threshold for auction proceeds from \$1 to \$0, such that all amounts, except administrative costs, are rebated to all retail electric ratepayers. The PUC and DES state this bill will annually redirect \$2.6 million of regional greenhouse gas initiative (RGGI) funds to ratepayer rebates that have been previously used to pay for the following CORE energy efficiency programs:

- Home Energy Assistance Program (\$400,000);
- Municipal Energy Efficiency Programs (\$2,000,000); and
- Request for Proposal Energy Efficiency Programs (\$200,000).

The PUC and DES state under this bill, New Hampshire would remain in the RGGI and there would be no change in state revenue collected from RGGI auctions. The \$2,000,000 annually allocated to municipal energy efficiency programs would no longer be provided to New Hampshire communities. The decrease in revenue flow to counties and other government organizations is indeterminable. The PUC and DES report all of the funds currently designated for CORE energy efficiency programs would be refunded to ratepayers.