

Senate Energy and Natural Resources Committee

Philip Tatro 271-1403

HB 1431, relative to utility requirements for integrated distribution planning.

Hearing Date: April 16, 2024

Time Opened: 11:17 a.m.

Time Closed: 11:42 a.m.

Members of the Committee Present: Senators Avard, Pearl, Birdsell, Watters and Altschiller

Members of the Committee Absent : None

Bill Analysis: This bill requires public utilities to file an integrated distribution plan with the public utilities commission.

Sponsors:

Rep. Caplan

Rep. W. Thomas

Rep. Parshall

Rep. McWilliams

Rep. Muns

Who supports the bill: Rep. Tony Caplan (Merrimack – District 8), Rep. Thomas Cormen (Grafton – District 15), Rep. Michael Vose (Rockingham – District 5), Rep. Heath Howard (Strafford – District 4), Rep. Kat McGhee (Hillsborough – District 35), Rep. Wendy Thomas (Hillsborough – District 12), Donald Kreis (NH Office of the Consumer Advocate), Michael Licata (Eversource), Nick Krakoff (Conservation Law Foundation), Catherine Corkery (NH Sierra Club), Sam Evans-Brown (Clean Energy NH), Kirsten Koch (Business and Industry Association), Heidi Kroll (Granite State Hydropower Association), Matt Leahy (Forest Society), Meredith Hatfield (The Nature Conservancy), Phillip Stephenson, Allison Tanner, Sherry Boschert, Laurie MacKenzie, Janet Lucas, Claudia Damon, Margaret Longley, Dorothea Vecchiotti, Christopher Thayer, Lois Cote, Susan Moore, Ruth Perencevich, Louise Spencer, Virginia Riege-Blackman, Lyn Lindpaintner, Maura Willing, Maureen Ellermann, Rick Russman, Jeanne Torpey, and Patricia Beffa-Negrini.

Who opposes the bill: Julie Smith.

Who is neutral on the bill: Chris Ellms (NH Department of Energy) and Tom Frantz (NH Department of Energy).

Summary of testimony presented in support:

Rep. Tony Caplan
Merrimack – District 8

- Rep. Caplan introduced HB 1431, which resets the statutory requirement for utilities to file long-term plans with the PUC, including comprehensive 10-year demand forecasts and a focus on maximizing the benefits of energy efficiency and non-wire alternatives.
- Rep. Caplan explained that non-wire alternatives encompass distributed generation resources, grid modernization, storage, etc., aiming to meet long-term demand at the lowest economic and environmental cost.
- Rep. Caplan highlighted that the bill mandates long-term plans to align with the state energy policy, which balances the safety and health of constituents with the financial health of private utilities.
- Rep. Caplan emphasized the importance of the adjudicative process, including public participation and transparency, in confirming the long-term plan, fostering trust in managing the energy system.
- Rep. Caplan noted that the integrated planning process provides utilities with stability, supporting continued investment in grid upgrades while transitioning to a diversified, clean, and reliable system to meet the needs of a rapidly electrifying economy.

Donald Kreis
NH Office of the Consumer Advocate

- Mr. Kreis supported House Bill 1431 as a replacement for the repealed least cost integrated resource planning statute, fulfilling a previous commitment made by the committee.
- Mr. Kreis raised concerns about tinkering with the New Hampshire energy policy language in the bill, emphasizing the need for deliberate consideration of changes to statutory language.
- Mr. Kreis expressed worry about language on lines 20-21, which may have allowed utilities to neglect pursuing additional energy efficiency beyond what was funded through the system benefits charge.
- Mr. Kreis questioned the term "non-wires solutions" on line 25, suggesting the need for a clear definition, especially regarding utilities' filing of non-wires alternative frameworks.
- Mr. Kreis recommended assessing plans for integration and consistency with the state energy policy, rather than a potentially arbitrary state energy strategy developed by the Department of Energy.
- Mr. Kreis highlighted similar concerns regarding language covering natural gas utilities and suggested using "shall" instead of "will" for directive language on the second page.
- Mr. Kreis pointed out the omission of consequences for utilities failing to get a plan approved, suggesting that without such teeth, compliance might lack real incentive.

Michael Licata
Eversource

- Mr. Licata, representing Eversource, expressed support for House Bill 1431, highlighting its simplicity and role in establishing a long-term regulatory framework for utility planning.
- Mr. Licata emphasized that the bill requires utilities to file plans every five years with the PUC, including forecasts of customer demand and assessments of how the utility will meet that demand.
- Mr. Licata noted that the bill reflects a careful compromise among various stakeholders and passed the House unanimously.
- Mr. Licata stated that the regulatory framework outlined in the bill aligns with best utility practices, increases transparency in utility planning, and allows for the review of infrastructure investments before implementation, benefiting customers.
- Mr. Licata mentioned discussions about potential amendments to clarify the timing of initial plan filings and provided information about a proposed amendment received from the Department of Energy.
- Mr. Licata stated that the proposed amendment directs utilities to file initial plans within five years of passage, considering the need to avoid overwhelming agencies with simultaneous filings from multiple utilities.
- Mr. Licata concluded by expressing readiness to address any questions from the committee and appreciating their review of the bill.

Rep. Michael Vose
Rockingham – District 5

- Rep. Vose, representing Rockingham District 5, expressed general support for the bill and its approach, considering it a scaled-down version of the repealed least cost integrated resource plan.
- Rep. Vose agreed with the consumer advocate that the language in RSA 378.37 is unnecessary and has no relevance to the bill, suggesting its removal.
- Rep. Vose concluded his remarks, emphasizing his stance on the bill and the suggested removal of irrelevant language.

Kirsten Koch
Business and Industry Association

- Ms. Koch, representing the BIA, expressed support for the bill, highlighting its establishment of a transparent regulatory process for utilities to present long-term plans to the P.U.C.
- Ms. Koch, emphasized the importance of this process, stating that it allows stakeholders to review utility plans transparently and ensure that investments are prudent and cost-effective, without unduly impacting residents and businesses in the state.

- Ms. Koch concluded by reiterating the BIA's support for the bill and encouraging the committee to pass it, citing its role in promoting regulatory transparency.

Meredith Hatfield
The Nature Conservancy

- Ms. Hatfield from the Nature Conservancy reiterated support for the bill, expressing gratitude to stakeholders for reestablishing integrated resource planning.
- Ms. Hatfield echoed sentiments regarding the importance of transparency in utility planning, aligning with the BIA's perspective on the matter.
- Ms. Hatfield highlighted the need to strike section RSA 378.37 from the bill, emphasizing the importance of maintaining the current balanced approach or passing the bill as is.
- Regarding the suggestion for the bill to have more enforcement power or "teeth," she agreed, stating that such measures would be beneficial.

Nick Krakoff
Conservation Law Foundation

- Mr. Krakoff from the Conservation Law Foundation emphasized the need for a process to review utility planning before investment, rather than after the fact, as currently practiced.
- Mr. Krakoff highlighted the absence of comprehensive planning by the PUC under current law, advocating for a holistic approach to review utility plans.
- Mr. Krakoff expressed agreement with the inclusion of gas utilities in the bill, stating they would benefit from the same scrutiny as electric utilities.
- Mr. Krakoff pointed out a potential typo in the bill, suggesting that line 31 should reference both RSA 37838 and RSA 37839, as applicable to electric and gas utilities respectively.
- Mr. Krakoff urged the committee to support the bill, recommending its passage.

Summary of testimony presented in opposition: None.

Neutral Information Presented:

Chris Ellms
NH Department of Energy

- Mr. Ellms expressed a willingness to support the bill with the discussed amendment, which would make them more comfortable with its passage.
- Mr. Ellms proposed several potential tweaks to the bill, including removing references to the New Hampshire energy policy on lines 7 through 12 of page one and adding language regarding timing on lines 13 and 29 of page one.

- Mr. Ellms suggested adding the phrase "cost-effective" before "benefits" on line 7 of page two and extending the time frame for the PUC to approve or reject a plan resubmission from four weeks to 12 weeks, as indicated on line 24 of page two.
- Mr. Ellms expressed his neutrality regarding the utility question, leaving the decision to the committee and possibly the utilities.
- Mr. Ellms suggested amending line 24 to extend the timeframe from four weeks to twelve weeks, which he deemed more reasonable for the commission's review process.
 - Sen. Altschiller sought clarification on what is the objection to page 1, lines 7 through 12.
- Mr. Ellms reiterated the suggestion to remove lines 7 to 12 from the bill, similar to the recommendation made for House Bill 1623.
- Mr. Ellms noted that while there are some changes in those lines, they are relatively minor compared to the existing state energy policy.
- Mr. Ellms stated that removing those lines would not have a negative impact, especially if there is a possibility of moving forward with HB 1623.

Tom Frantz
NH Department of Energy

- Mr. Frantz proposed adjusting the time frame for utilities to file their submissions of corrections to meet the PUC's order.
- Mr. Frantz suggested reducing the utilities' timeframe from three months to two months, as utilities are proficient at turning around detailed plans.
- Mr. Frantz recommended extending the PUC's review period by four to eight weeks, making the process more manageable.
- Mr. Frantz suggested that depending on the issues identified by the commission in their order, two months could be a reasonable timeframe for utilities to make corrections to their plans, with the additional time allowing interveners and parties to evaluate the new plan.
- Mr. Frantz emphasized the importance of providing the PUC with additional time to review the new plans thoroughly, which would benefit the process.
- Regarding enforcement or the presence of "teeth" in the bill, Mr. Frantz cautioned against implementing measures that could have unintended consequences or negatively impact customers. He suggested careful consideration and evaluation of such measures in the future.