

HB 558-FN - AS INTRODUCED

2023 SESSION

23-0207
09/05

HOUSE BILL ***558-FN***

AN ACT relative to electric microgrids and electric grid resiliency.

SPONSORS: Rep. Ammon, Hills. 42; Rep. Potucek, Rock. 13; Rep. Edwards, Rock. 31; Rep. Ankarberg, Straf. 7; Rep. D. Thomas, Rock. 16; Sen. Watters, Dist 4

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill establishes the authority for and procedures for adoption of electric microgrids.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Twenty Three

AN ACT relative to electric microgrids and electric grid resiliency.

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

1 1 New Chapter; Electric Microgrids. Amend RSA by inserting after chapter 362-I the following
2 new chapter:

3 CHAPTER 362-J

4 ELECTRIC MICROGRIDS

5 362-J:1 Definitions. In this chapter:

6 I. "Microgrid" means a local energy grid with control capability, energy generation, the full
7 ability to distribute power to its customers, has a specific service boundary, can be connected or
8 disconnected from the traditional grid and operate in tandem with or autonomously from the grid,
9 can be operated with or without the coordination of the local utility power provider.

10 II. "Microgrid zone" means an area of designated land for which the minimum size will be
11 set at 5 acres. Each microgrid zone shall reside within a single county.

12 III. "Community level microgrid" means an area of residential zoning which wishes to secure
13 their energy through local generation for which the minimum size shall be set by the department of
14 energy.

15 IV. "Demand response" means a change in the power consumption of a microgrid to help
16 ensure the demand for power is met on the grid during peak demand.

17 V. "Microgrid operator" means any individual, business, co-opt, utility, or firm who manages
18 the operations of the microgrid.

19 VI. "Grid operator" means a utility, public utilities commission, midcontinent independent
20 system operator, independent transmission system operator, or any entity that is responsible for
21 managing the stability of the grid in a given area or region.

22 362-J:2 Designation of Land for Microgrid Zones.

23 I. Each board of county commissioners may petition the department of energy to designate
24 no more than 3 areas of land within the county constituting not less than 5 continuous acres as a
25 microgrid zone. The designated land shall not include any part of a municipality or land outside the
26 boundaries of the county. A petition may be filed under this section to modify as well as create a
27 microgrid zone. The county board of commissioners may also petition the department of energy to
28 lower the minimum size to ensure each county has the ability to participate in the creation of a
29 microgrid zone.

30 II. Prior to petitioning the department of energy under paragraph I, the board of county
31 commissioners shall hold at least one public hearing with notice of the time and place of the hearing

1 being given by publication in a newspaper of general circulation in the county not less than one time
2 and not less than 14 days before the date of the hearing.

3 III. The department of energy shall complete an analysis of the potential impact the
4 microgrid zone may have on retail customers outside of the zone and nonparticipating retail
5 customers within the zone.

6 IV. The department of energy shall consider the analysis provided under paragraph III and
7 any other factors it deems relevant in determining whether to approve a petition submitted
8 pursuant to this section. The department of energy shall not approve a petition that does not meet
9 the requirements of paragraph I but may otherwise approve or deny a petition at its discretion.

10 362-J:3 Application and Approval for Microgrids.

11 I. The department of energy shall oversee individual microgrids built within and outside the
12 microgrid zone.

13 II. When applying for approval of a microgrid, the department of energy shall review the
14 application to determine if the microgrid can meet a threshold for approval which will cover:

15 (a) The microgrid's ability to reasonably improve the local utilities electrical efficiency,
16 resilience, reliability, and security once it has connected to the grid.

17 (b) The microgrid's ability to perform demand response and frequency response once
18 connected to the grid.

19 (c) The microgrid's ability to reasonably improve the clean or renewable energy mixture
20 of the local utility.

21 362-J:4 Regulation Exemptions; Limitations.

22 I. Microgrid operators within the microgrid zone upon the point of grid connection shall
23 provide up to 20 percent of their generation in a demand response program in order to ensure grid
24 stability.

25 (a) All electricity provided from the microgrid zone back to the grid or utility for demand
26 response shall be provided at a regular rate of return consistent with local power pricing.

27 (b) Grid operators shall give at least 15 minutes of warning to microgrid operators
28 within microgrid zones for usage of up to 5 percent of the microgrid's operating capacity.

29 (c) Grid operators shall give at least 30 minutes of warning to microgrid operators for
30 any usage over 5 percent and up to 20 percent of the microgrid supply capacity.

31 II. Microgrids must sustain the demand response for at least 120 minutes or until the utility
32 recalls deployment, whichever occurs first, and a resource must be reset and made available for the
33 next event within 15 minutes after deployment is ended.

34 III. Except as otherwise provided in this section, the provisions of this title with respect to
35 rate regulation shall not apply to rates charged for the sale of electricity to a customer who:

36 (a) Consumes the electricity entirely within a microgrid zone;

37 (b) Consumes the electricity for commercial or industrial use; and

1 (c) Is not purchasing the electricity to replace electrical service capacity that existed
2 prior to the establishment of the microgrid zone.

3 IV. Except as otherwise provided in this section, the provisions of this title that prohibit the
4 sale of electricity outside a specified service territory shall not apply to sales to a customer within a
5 microgrid zone who meets the requirements of RSA 362-J:4, IV.

6 V. Nothing in this section shall be construed to reduce, modify, eliminate, or otherwise alter
7 any applicable requirements of federal law or any local, state, or federal tax that may be imposed.

8 VI. Any utility providing service under this section shall not recover costs associated with
9 that service through rates imposed on retail customers outside of, or not participating in the
10 exemptions provided by, a microgrid zone.

11 VII. Service provided by a utility under this section shall not adversely affect the service
12 provided to other retail customers not participating in the microgrid zone.

13 VIII. Microgrid developers are required to apply for a grid interconnection before they begin
14 the development of the microgrid but are not required to wait for approval before building out their
15 operations.

16 (a) Microgrid operators who do not receive approval for their grid interconnect may
17 continue operating up until the point at which they receive approval and may continue operating if
18 their request is denied.

19 (b) If utilities are unwilling or incapable of funding the grid interconnection, microgrid
20 operators may fund the connection at which point the microgrid operator will be exempt from any
21 cost to maintain their connection.

22 IX. The department of energy shall be responsible for implementing and providing programs
23 which enable communities to apply for and operate a community level microgrid. Community level
24 microgrids shall be held to the same standards as other microgrids under this section, excluding
25 RSA 362-J:4, IV.

26 362-J:5 Rulemaking. The department of energy shall adopt rules under RSA 541-A relative to
27 implementation of this chapter including the application and approval process for microgrids and the
28 operation and oversight of microgrid zones.

29 362-J:6 Applicability. This chapter shall not apply to contracts for utility services existing prior
30 to the effective date of this section.

31 2 Effective Date. This act shall take effect upon its passage.

LBA
23-0207
1/9/23

**HB 558-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to electric microgrids and electric grid resiliency.

FISCAL IMPACT:

Due to time constraints, the Office of Legislative Budget Assistant is unable to provide a fiscal note for this bill, as introduced, at this time. When completed, the fiscal note will be forwarded to the House Clerk's Office.

AGENCIES CONTACTED:

Department of Energy and Public Utilities Commission