

HB 418-FN - AS INTRODUCED

2023 SESSION

23-0273

10/08

HOUSE BILL                    ***418-FN***

AN ACT                    relative to eliminating the rebates distributed by the energy efficiency fund.

SPONSORS:            Rep. McWilliams, Merr. 30; Rep. Chretien, Hills. 41; Rep. Preece, Hills. 17

COMMITTEE:          Science, Technology and Energy

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ANALYSIS

This bill eliminates the rebate amount distributed to retail electricity ratepayers and allocates all auction proceeds to support current or future energy efficiency resource standards programs.

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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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 eliminating the rebates distributed by the energy efficiency fund.

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

1            1    Repeal; Energy Efficiency Fund and Use of Auction Proceeds; Rebates.    RSA 125-O:23, II,  
2    relative to rebates of funds from the sale of regional greenhouse gas initiative allowances, is  
3    repealed.

4            2    Energy Efficiency Fund and Use of Auction Proceeds; Auction Proceed Allocation.    RSA 125-  
5    O:23, III(c) is repealed and reenacted to read as follows:

6                      (c)    Beginning January 1, 2024, and all subsequent years, all auction proceeds shall be  
7    dedicated to support current or future energy efficiency resource standards programs.    The  
8    department of energy shall devise or discover low-cost, small-scale energy efficiency measures that  
9    can be implemented by homeowners and distribute these at no cost through NHsaves or through  
10   public schools, to enable savings to offset any decline in rebates, including but not limited to  
11   programmable thermostats.    The department of energy shall contract with the department of  
12   education in developing coherent and successful education programs that will reach families.    Said  
13   programs may include video-based education distributed through NHSaves.

14            3    Effective Date.    This act shall take effect 60 days after its passage.

**HB 418-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to eliminating the rebates distributed by the energy efficiency fund.

**FISCAL IMPACT:**    ☒ **State**                    ☒ **County**                    ☒ **Local**                    ☐ **None**

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input checked="" type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Energy Efficiency Fund, Various Government Funds			

**COUNTY:**

<b>Revenue</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable

**LOCAL:**

<b>Revenue</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable

**METHODOLOGY:**

The Departments of Energy (DOE) and Environmental Services indicate this bill would eliminate the \$1 per allowance rebate threshold for auction proceeds deposited into the Energy Efficiency Fund (EEF). Under the bill rebates made on a per-kilowatt-hour basis to all electric ratepayers, including residential, commercial and industrial, would end by December 31, 2023. Beginning on January 1, 2024, all proceeds would be dedicated to energy efficiency.

The bill would not change gross revenue to the State compared with current law. Revenue from auction proceeds were \$43 million for calendar year 2022. Future revenues will vary depending upon the auction clearing prices and the decreasing amount of allowances offered, but for the purpose of this fiscal note, constant revenue of \$43 million per year is assumed.

Under current law, revenue in excess of \$1 per allowance sold is allocated by the DOE for rebates to all electric ratepayers on a per-kilowatt-hour basis. This bill eliminates the rebates and redirects the revenue, after administrative costs, to energy efficiency projects entirely beginning in CY 2024. In CY 2024 and thereafter, no revenue would be allocated for rebates.

In 2022, 3,212,739 allowances were sold. (The number of allowances will decrease by 118,725 allowances per year.) Prices ranged from \$12.99 to \$13.90. This translates into \$3.21 million being credited to the energy efficiency fund. Thus, the amount rebated would be approximately \$39.32 million (\$43 - \$0.35 - \$3.21 - \$0.12) in FY 2023. This amount rebated would decrease to \$0 in CY 2024.

The Departments state the termination of ratepayer rebates would result in some near-term increases in electricity costs for state, county, and local governments. Over the long-term, increased investment in energy efficiency projects would save ratepayers money. The costs/savings for state, county, and local governments are indeterminable.

It is assumed that any fiscal impact would occur after FY 2023.

**AGENCIES CONTACTED:**

Departments of Energy and Environmental Services