

Bill as  
Introduced

HB 630-FN - AS INTRODUCED

2013 SESSION

13-0230

09/01

HOUSE BILL            **630-FN**

AN ACT                repealing the New Hampshire regional greenhouse gas initiative program.

SPONSORS:            Rep. Barry, Hills 21

COMMITTEE:          Science, Technology and Energy

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ANALYSIS

This bill repeals the New Hampshire regional greenhouse gas initiative program.

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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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 repealing the New Hampshire regional greenhouse gas initiative program.

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

1 1 Repeal. The following are repealed:

2 I. RSA 125-O:3, III(d), relative to carbon dioxide cap.

3 II. RSA 125-O:20 through 125-O:28, relative to the regional greenhouse gas initiative.

4 III. 2012, 281:11 through 281:17, relative to the contingent repeal of the regional greenhouse  
5 gas initiative program.

6 2 Powers and Duties of Commissioner; Reference Deletion Related to Contingency. Amend  
7 RSA 125-O:6, I to read as follows:

8 I. Develop a trading and banking program to provide appropriate compliance flexibility in  
9 meeting the emission caps established under RSA 125-O:3, III [~~and allowance requirements of~~  
10 ~~RSA 125-O:21 and RSA 125-O:22~~], and to encourage earlier and greater emissions reductions and  
11 the development of new emission control technologies in order to maximize the cost-effectiveness  
12 with which the environmental benefits of this chapter are achieved.

13 3 Rulemaking Authority; Changes Related to Contingent Repeal. Amend RSA 125-O:8 to read  
14 as follows:

15 125-O:8 Rulemaking Authority.

16 ~~[I.]~~ The commissioner shall adopt rules under RSA 541-A, commencing no later than  
17 180 days after the effective date of this section, relative to:

18 ~~[(a)]~~ I. The establishment of trading and banking programs as authorized by RSA 125-O:6, I.

19 ~~[(b)]~~ II. The establishment of a method for allocating allowances and other emissions  
20 reduction units or mechanisms as authorized by RSA 125-O:3, II and III.

21 ~~[(c)]~~ III. Emissions and allowance monitoring, tracking, recordkeeping, reporting, and  
22 other such actions as may be necessary to verify compliance with this chapter.

23 ~~[(d)]~~ ~~The method and requirements for auctioning budget allowances under RSA 125-~~  
24 ~~O:21, which may use regional organizations.~~

25 ~~[(e)]~~ ~~Defining eligible projects for early reduction allowances under RSA 125-O:21, IV, and~~  
26 ~~establishing criteria to quantify and grant such allowances.~~

27 ~~[(f)]~~ ~~Defining eligible projects for offset allowances under RSA 125-O:21, V, and~~  
28 ~~establishing criteria to quantify and grant such allowances, including the accreditation of third-~~  
29 ~~party verifiers.~~

30 ~~[(g)]~~ ~~The forms and information required on applications for a temporary or operating~~  
31 ~~permit required under RSA 125-O:22.~~

1           ~~II. The public utilities commission shall adopt rules, under RSA 541-A, to administer the~~  
2 ~~greenhouse gas emissions reduction fund pursuant to RSA 125-O:23.]~~

3           4 Compliance Dates; Reference Deletions Related to Contingent Repeal. Amend RSA 125-O:9 to  
4 read as follows:

5           125-O:9 Compliance Dates. The owner or operator of each affected source shall comply with the  
6 provisions of this chapter, excluding the subdivision on mercury emissions, RSA 125-O:11 through  
7 125-O:18, ~~[and the subdivision for CO2 emissions, RSA 125-O:19 through RSA 125-O:28,]~~ by  
8 December 31, 2006.

9           5 Non-Severability; Reference Deletions Related to Contingent Repeal. Amend RSA 125-O:10 to  
10 read as follows:

11           125-O:10 Non-Severability. No provision of ~~[RSA 125-O:1 through RSA 125-O:18 of]~~ this  
12 chapter shall be implemented in a manner inconsistent with the integrated, multi-pollutant strategy  
13 ~~[or RSA 125-O:1 through RSA 125-O:18]~~ of this chapter, and to this end, the provisions of ~~[RSA 125-~~  
14 ~~O:1 through RSA 125-O:18 of]~~ this chapter are not severable.

15           6 Compliance. The repeal of the regional greenhouse gas initiative program under section 1 of  
16 this act shall not affect each affected CO2 source's obligation to satisfy the program's requirements  
17 for the compliance period ending December 31, 2012, including those contained in adopted rules. All  
18 means of enforcement shall remain in place for these requirements, including the provisions of  
19 RSA 125-O:7 and any permit issued or modified by the department of environmental services in  
20 accordance with RSA 125-O:22, IV.

21           7 Effective Date. This act shall take effect upon its passage.

LBAO  
13-0230  
01/17/13

**HB 630-FN - FISCAL NOTE**

AN ACT            repealing the New Hampshire regional greenhouse gas initiative program.

**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.

# Amendments



Amendment to HB 630-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to the use of proceeds from the regional greenhouse gas initiative  
4 program.  
5

6 Amend the bill by replacing all after the enacting clause with the following:

7

8 1 Use of Auction Proceeds. Amend RSA 125-O:23, III to read as follows:

9 III. All remaining proceeds received by the state from the sale of allowances shall be  
10 allocated by the commission as an additional source of funding to electric distribution companies for  
11 core energy efficiency programs that are funded by SBC funds. *In allocating the proceeds, the*  
12 *commission shall first allocate 20 percent of the amount of the proceeds to the low-income*  
13 *core energy efficiency program.*

14 2 Effective Date. This act shall take effect July 1, 2013.

*Not Adopted*



2013-0544h

AMENDED ANALYSIS

This bill requires the public utilities commission to allocate certain proceeds from the energy efficiency fund to the low-income core energy efficiency program.



Rep. Cali-Pitts, Rock. 30  
March 5, 2013  
2013-0712h  
09/04

Amendment to HB 630-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to the use of proceeds from the regional greenhouse gas initiative  
4 program.  
5

6 Amend the bill by replacing all after the enacting clause with the following:

7

8 1 Use of Auction Proceeds. Amend RSA 125-O:23, III to read as follows:

9 III. All remaining proceeds received by the state from the sale of allowances shall be  
10 allocated by the commission as an additional source of funding to electric distribution companies for  
11 core energy efficiency programs that are funded by SBC funds. *In allocating the proceeds, the*  
12 *commission shall first allocate at least 20 percent of the amount of the proceeds to the low-*  
13 *income core energy efficiency program.*

14 2 Effective Date. This act shall take effect July 1, 2013.

2013-0712h

AMENDED ANALYSIS

This bill requires the public utilities commission to allocate certain proceeds from the energy efficiency fund to the low-income core energy efficiency program.

# Speakers



# Hearing Minutes

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

PUBLIC HEARING ON HB 630-FN

**BILL TITLE:** repealing the New Hampshire regional greenhouse gas initiative program.

**DATE:** 2-26-13

**LOB ROOM:** 304      **Time Public Hearing Called to Order:** 2:40 pm

**Time Adjourned:** 3:20 pm

(please circle if present)

**Committee Members:** Reps. Borden, Townsend, Cali-Pitts, Pastor, N. Levasseur, Backus, Grossman, Baber, J. Mann, Shepardson, Raymond, Introne, Vadney, Rappaport, Bradley, Reilly, Murotake, R., LeVasseur, Khan and Devine.

**Bill Sponsors:** Rep. Barry

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

**Rep. Richard Berry, sponsor** – Supports bill as amended.

**Michael Fitzgerald, DES**, - Opposes the bill.

**Q: Rep. Marge Shepardson** - How is the 20% of the revenue to be assigned under the amendment percentage to flow to low income customers?

**A:** Percentage of revenue below the \$1 would go to low income.

**Dan Feutes, NHLA** – Supports the amendment.

**Grant Bosse of Manchester** – No opinion on the bill.

**\*Catherine Corkery, NH Sierra Club** – Oppose this bill; see written testimony. Would like to use this program to help others.

**Penti Aacto of Pembroke** – Opposes the bill; supports RGGI.


**Q: Rep. David Murotake** – Should the heat pump be used for acceptance in this bill?

**A:** Yes.

**\*Marc Brown, New England Ratepayers Assn.** – Supports bill; see written testimony.

**\*Caitlin Rolb, Granite State Progress – Opposes bill; see written testimony.**

Respectfully Submitted:

A handwritten signature in cursive script that reads "James E. Devine". The signature is written in black ink and is positioned above the printed name.

James E. Devine, Acting Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

PUBLIC HEARING ON HB 630-FN

**BILL TITLE:** repealing the New Hampshire regional greenhouse gas initiative program.

**DATE:** 2-26-13

**LOB ROOM:** 304

**Time Public Hearing Called to Order:** 2 40

**Time Adjourned:** 3 20

(please circle if present)

**Committee Members:** Reps. Borden, Townsend, Cali-Pitts, Pastor, N. Levasseur, Backus, Grossman, Baber, J. Mann, Shepardson, Raymond, Introne, Vadney, Rappaport, Bradley, Reilly, Murotake, R. LeVasseur, Khan and Devine.

**Bill Sponsors:** Rep. Barry

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.



2-26-13

HB 630

1st Richard Barry Support AS Amendment

2nd Michael Fitzgerald I OPPOSE the Bill  
Rep Shepardson how is the 20% OF the Admnd  
90 To low income  
90 Below the \$1 dollar would go to  
low income

3rd SPK DAN Feutes I support the Amendment of Bill

4th Grant Bossé NO OPINION  
Take Back write

5th Catherine Corkery I OPPOSE the bill  
Would like to use this program  
To help others Hand out

6 Penn T J. ACTO I OPPOSE bill  
I support Rggi To

Murotake should this heat Pump be used  
An Yes

\* 7 Marc Brown I support bill  
Hand out

New Rate PAYS  
\* 8 Caitlin Rolto I OPPOSE Bill  
Handout

# Sub-Committee Minutes

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 630-FN

**BILL TITLE:** repealing the New Hampshire regional greenhouse gas initiative program.

**DATE:** 2-28-13

**Subcommittee Members:** Reps. Bradley, Shepardson, Murotake, Grossman, Baber, Richard Levsseur, Rapport, Townsend, Cali-Pitts, Borden, Devine, Mann, Backus, Nick Levasseur, Vadney and Raymond.

**Comments and Recommendations:**

**Amendments:**

Sponsor: Rep. Barry	OLS Document #:	2013	0544h
Sponsor: Rep. Borden	OLS Document #:	2013	0524h
Sponsor: Rep.	OLS Document #:		

**Motions:** OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

**Motions:** OTP, OTP/A, ITL, Retained (Please circle one.)

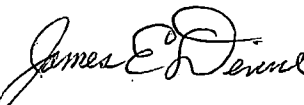
Moved by Rep.

Seconded by Rep:

Vote:

Respectfully submitted,

Rep. James E. Devine  
Subcommittee Chairman/Clerk



HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 630-FN

BILL TITLE: repealing the New Hampshire regional greenhouse gas initiative program.

Open 1:01 PM  
Close 3:00 PM

DATE: 2-28-13

Subcommittee Members: Reps. Bradley Shepardson Murotake  
Grossman Baber R LeVasser Rapport Townsend Cali-Pitts  
Comments and Recommendations: Borden Devine Mann Backus W LeVasser  
Vadney Raymon

Amendments:

Sponsor: Rep. Barry

OLS Document #: 2013-0544h.

Sponsor: Rep. Borden

OLS Document #: 2013-0524 h<sup>HL</sup>306

Sponsor: Rep.

OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. {Type NAME}  
Subcommittee Chairman/Clerk

James E. Devine

# Testimony

2-26-13

JTH-SPK



**Testimony on HB 630-FN: Attempting to Repeal RGGI  
House Science, Technology and Energy Committee  
February 26, 2013**

My name is Caitlin Rollo and I am the Political and Research Director for Granite State Progress, a multi-issue advocacy organization working on issues of immediate state and local concern. We are opposed to HB 630-FN, an Act repealing RGGI in New Hampshire.

It is a fact that ending participation in RGGI has no gains for the NH ratepayer and the repeal of RGGI does not mean that the NH ratepayer is off the hook. If this legislation passes, every NH ratepayer will still pay for RGGI every month, but New Hampshire will never receive any of the benefits of this program. So why repeal RGGI if there are not any fiscal gains to the NH ratepayer? Why?

Do we really want New Hampshire ratepayers to pay for a service that they will not receive any benefit from, whereas ratepayers in Massachusetts and New York will gain from our ratepayer contributions?

Under this repeal, New Hampshire will no longer participate in the regional auction; therefore, we would receive no proceeds from those auctions. Our state would forfeit millions of dollars that other states will be able to collect. In addition, we would be eliminating a good program that helps reduce carbon emissions in our state and region; and we would jeopardize the Energy Efficiency Fund highlighted in the impact statement which funds energy efficiency projects for local citizens, businesses, nonprofits and governmental entities.

If New Hampshire ratepayers and our state do not stand to benefit from the repeal of RGGI, who does?

The answer can be found in the legislation itself. The RGGI repeal before you has its origins as a model bill from the American Legislative Exchange Council (ALEC). ALEC allows corporations to draft and vote on legislation which is then introduced by ALEC legislators in State Houses all across our country. I have for the committee a copy of that model legislation.

An example of a corporation that stands to benefit from the repeal of RGGI is Koch Industries, a long standing member and corporate funder of ALEC. Koch - which has plants in the Northeast - releases an estimated 300 million tons of carbon dioxide pollution each year. Koch routinely opposes bills and programs to lower those carbon emissions. Koch funded Americans for Prosperity has lobbied against RGGI in the past, from speeches by founder David Koch at the ALEC conference to AFP's robocalls on this issue two years ago.

Allowing corporations to write legislation behind closed doors that advances a CEO's bottom-line but hurts Granite Staters is not the New Hampshire way. We urge the committee to recommend HB 630-FN inexpedient to legislate.

Caitlin Rollo  
Political & Research Director  
Granite State Progress  
(603) 225-2471 / [Caitlin@granitestateprogress.org](mailto:Caitlin@granitestateprogress.org)

2-28-13

HB 630

February 25, 2013

The Honorable David Borden, Chairman  
House Committee on Science Technology and Energy  
The State of New Hampshire

Dear Representative Borden and members of the committee:

We write in support of legislation that establishes a Committee to begin the process of crafting a new state energy policy and the amendment that will lower the carbon emissions cap developed through the Regional Greenhouse Gas Initiative (RGGI). Both of these initiatives will benefit New Hampshire's ratepayers and environment by helping the state meet its long term energy goals.

While we share the goal at the heart of HB 306 of creating a new energy plan, we feel that the language in the proposed legislation is too narrow and does not take into account all the issues that a comprehensive energy plan should address. The last time New Hampshire created a comprehensive state energy plan was over a decade ago. Much has changed in the market and the energy landscape that demands a new plan be developed.

The Senate is currently working on SB 191, legislation that will establish a commission - and a stakeholder process - for the creation of a new comprehensive ten-year state energy strategy led by the Office of Energy and Planning. We hope that the outcomes envisioned in HB 306 can be incorporated into the comprehensive energy strategy so that by the end of this legislative session, the state is on a path to create a long term plan that addresses the energy challenges and needs of New Hampshire and the region.

We also support Representative Borden's amendment that will continue New Hampshire's participation in the Regional Greenhouse Gas Initiative (RGGI) by incorporating changes to the successful program agreed to by the nine member states. If the Legislature does not adopt these changes, New Hampshire may not be able to remain in the regional agreement - harming ratepayers who would still be paying the costs of RGGI without receiving any of the energy efficiency or ratepayer benefits.

As you know, five years ago, New Hampshire demonstrated leadership in addressing carbon pollution from fossil based power plants and accelerating the transition to a clean energy economy by joining the Regional Greenhouse Gas Initiative. The state - and region - have benefitted ever since.

REGI is our nation's first mandatory market based program to limit carbon dioxide (CO<sub>2</sub>) emissions, and REGI is a cooperative effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont to cap and reduce the CO<sub>2</sub> emissions that result from the burning of fossil fuels in the power sector.

In this market based program, allowances to emit CO<sub>2</sub> are sold at auction. It is the limiting of emissions from electric power plants, and the issuing of CO<sub>2</sub> allowances, that establishes New Hampshire's participation in the regional allowance auctions. Each participating state creates its own portion of allowances under the cap. Under current law, New Hampshire's proceeds from the sale of allowances are allocated to the utility CORE energy efficiency programs and are rebated to ratepayers.

Last year, New Hampshire participated in a rigorous and comprehensive evaluation of the REGI program which involved input from the regulated community, consumers, industry and environmental advocates from across the REGI region. The review found that the investment of auction proceeds from the first three years of the program into energy efficiency is generating net economic benefit region-wide. The review also determined that to maintain a working market, the emissions cap needs to be adjusted.

As part of this comprehensive review process, all participating states, including New Hampshire, have agreed to a lower pollution emissions cap, bringing it in line with actual emissions from power plants. Approved legislation is required this year for New Hampshire to align with the agreed-upon amendments to the program and remain in REGI.

Without legislation, New Hampshire ratepayers would continue to pay the costs of REGI due to the regional nature of the energy market, but New Hampshire residents would not receive benefits associated with the program. REGI proceeds now going to the utility CORE energy efficiency programs (estimated to be \$5-6 million per year) will disappear – resulting in thousands of New Hampshire businesses, municipalities, schools and ratepayers paying higher rates without being able to access funds to support energy conservation initiatives.

According to independent analysis<sup>1</sup>, the first three years resulted in \$1.2 billion in consumer electric, gas, and oil savings, and 16,000 jobs in participating states. Increased investments in energy efficiency will have continued positive economic returns for our state - including job creation and lower electric rates for all customers.

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<sup>1</sup> The Regional Greenhouse Gas Initiative: Economic Impact in the First Three Years. The Analysis Group November 2011



New Hampshire cannot afford to step away from this market based regional initiative. We urge the Committee to vote HB 306 and the Borden Amendment ought to pass and join our neighboring states in lowering our carbon emissions. Thank you for your consideration.

Sincerely,

Jennifer Andrews, Executive Director, Clean Air-Cool Planet

Jim O'Brien, Director of Policy, The Nature Conservancy NH Chapter

Michael Bartlett, President, Audubon Society of New Hampshire

Jonathan Peress, Vice President, Conservation Law Foundation

Susan Arnold, Vice President of Conservation, Appalachian Mountain Club

Kate Epsen, President, NH Sustainable Energy Association

Michele L. Tremblay, President, New Hampshire Rivers Council

Will Abbott, Vice President for Policy, Society for the Protection of New Hampshire Forests

**CHAPTER 125-O**  
**MULTIPLE POLLUTANT REDUCTION PROGRAM**

.....

**Regional Greenhouse Gas Initiative<sup>1</sup>**

**125-O:19 Statement of Purpose and Findings.** – [Repealed 2012, 281:10, II, eff. Jan. 1, 2013.]

**125-O:20 Definitions.** –

In this subdivision:

I. "Affected CO<sub>2</sub> source" means any source with one or more fossil fuel-fired electricity generating units having a nameplate rated capacity equal to or greater than 25 megawatts.

II. "Budget allowances" means those RGGI allowances comprising the state annual budget for CO<sub>2</sub> emissions specified in RSA 125-O:21, II.

III. "Commission" means the public utilities commission.

IV. "Compliance period" means a 3 calendar year time period, unless extended one calendar year by a stage-2 trigger event. The first compliance period is from January 1, 2009 to December 31, 2011, unless a stage-2 trigger event extends the first compliance period to December 31, 2012. Each subsequent sequential 3 calendar year period is a separate compliance period subject to a one-year extension if a stage-2 trigger event occurs during the compliance period. The compliance period shall never be longer than 4 calendar years.

V. "Consumer price index" or "CPI" means the United States Department of Labor, Bureau of Labor Statistics unadjusted consumer price index for all urban consumers for the United States city average, for all items on the latest reference base, or if such index is no longer published, such other index as the department determines is appropriate. The CPI for any calendar year is the 12-month average of the CPI published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year.

VI. "Department" means the department of environmental services.

VII. "Early reduction allowances" means allowances provided to affected CO<sub>2</sub> sources for eligible projects undertaken which have the effect of reducing emissions at the affected CO<sub>2</sub> source by an absolute reduction of emissions during calendar years 2006, 2007, and 2008, from a baseline approved by the department, through emission rate improvements or permanently reducing utilization of one or more units at a source.

VIII. "International trading programs" means international programs approved by the department such as the European Emission Trading Scheme (ETS) and offset credits established under the Clean Development Mechanism (CDM) to be used to obtain equivalent RGGI offset allowances pursuant to RSA 125-O:22, II(b).

IX. "Market settling period" means the first 14 months of any compliance period.

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<sup>1</sup> The RGGI law (this entire subdivision) is repealed if the requirements of section 17 of Chapter 281, Laws of 2012 are satisfied. The section reads: "Contingency. If any 2 New England states participating in the regional greenhouse gas initiative end or agree to end their participation in the initiative or if a New England state which has at least 10 percent of the total load of the New England states participating in the regional greenhouse gas initiative ends its participation in the initiative, sections 11-15 of this act shall take effect upon the date that the commissioner of the department of environmental services certifies to the secretary of state and the director of the office of legislative services that such states have terminated or have authorized termination of their participation in the initiative or such state has terminated its participation in the initiative."

X. "Offset allowances" means allowances issued to projects determined to be eligible by the department undertaken outside of the electric power sector to reduce CO<sub>2</sub> or CO<sub>2</sub> equivalent emissions.

XI. "PSNH" means Public Service Company of New Hampshire or any successor to the company's public utility franchise.

XII. "Regional greenhouse gas initiative" or "RGGI" or "RGGI program" means the program to implement the memorandum of understanding (MOU) between signatory states, dated December 20, 2005, as amended on August 8, 2006 and April 20, 2007, and the corresponding model rule to establish a regional CO<sub>2</sub> emissions budget and allowance trading program for emissions from fossil fuel-fired electricity generating units.

XIII. "Regional organization" means a non-profit organization formed by the signatory states to RGGI to provide technical and administrative assistance for such things as: emissions and allowance tracking, offsets development and implementation, allowance market monitoring, and data collection. The organization shall have no regulatory or enforcement authority.

XIV. "Retire" means submitting a RGGI allowance to the department for compliance or other purpose or retaining a RGGI allowance by the department such that the allowance may never be sold or otherwise used again.

XV. "RGGI allowance" means a limited authorization to emit one ton of CO<sub>2</sub> issued by the department or other RGGI signatory state in accordance with this subdivision or the RGGI program and shall include budget allowances, offset allowances, and early reduction allowances.

XVI. "Stage-one trigger event" means a 12-month rolling average CO<sub>2</sub> allowance price that is equal to or greater than \$7 in 2005 dollars, such figure adjusted annually on January 1 of each calendar year according to the consumer price index, but only when such a rolling average price occurs in any 12-month period beginning after the end of the market settling period.

XVII. "Stage-2 trigger event" means a 12-month rolling average CO<sub>2</sub> allowance price that is equal or greater than \$10 in 2005 dollars, such figure adjusted annually on January 1 of each calendar year according to the consumer price index plus 2 percentage points, but only when such a rolling average price occurs in any 12-month period beginning after the end of the market settling period.

Source. 2008, 182:2, eff. June 11, 2008.

### **125-O:21 Carbon Dioxide Emissions Budget Trading Program. –**

I. The department shall establish and enforce a CO<sub>2</sub> emissions budget trading program consistent with this subdivision that shall be in substantial accordance with the RGGI program.

II. The program shall include a statewide annual budget allowance of 8,620,460 tons during the years 2009 through 2014. Beginning January 1, 2015 and ending December 31, 2018, the budget shall decline by 215,512 tons per year, resulting in a 10 percent total reduction from the initial budget, after which it shall remain unchanged until further legislative action.

III. The department shall make available for sale at one or more auctions all of the budget allowances for a given year, except for those granted or reserved under RSA 125-O:22, VI, 125-O:24, and 125-O:25. The department may also make available for sale at one or more auctions a portion of future year budget allowances. Such auctions may be conducted in coordination with other states. Revenues from the sale of allowances shall be deposited in the energy efficiency fund established under RSA 125-O:23.

III-a. Budget allowances that are required to be made available for sale at auction under paragraph III, but remain unsold, shall not be retired by the department.

IV. The department shall grant to affected CO<sub>2</sub> sources early reduction allowances, at no cost, for projects eligible to receive such allowances.

V. The department shall grant offset allowances to owners of eligible offset projects located in New Hampshire.

VI. The department and the commission shall report on an annual basis to the air pollution advisory committee under RSA 125-J:11 and the legislative oversight committee on electric utility restructuring under RSA 374-F:5, on the status of the implementation of RGGI in New Hampshire, with emphasis on the prices and availability of RGGI allowances to affected CO<sub>2</sub> sources and the trends in electric rates for New Hampshire businesses and ratepayers. The report shall include but not be limited to:

- (a) The number of allowances sold in the RGGI program and the type of entities purchasing allowances;
- (b) The number of unsold allowances in the RGGI program;
- (c) The available price data of allowances from the regional auction and secondary markets;
- (d) Market monitoring reports;
- (e) The CO<sub>2</sub> emissions by affected source, state, and RGGI region;
- (f) The spending of revenues from auction allowances by each RGGI state; and
- (g) [Repealed.]
- (h) The status of any proposed or adopted federal CO<sub>2</sub> cap and trade program, the impact on New Hampshire's RGGI program, and recommendations for any proposed legislation necessary to accommodate the federal program.

VII. The department may establish and enforce the CO<sub>2</sub> emissions budget trading program in cooperation and coordination with other states or countries that are participating in regional, national or international CO<sub>2</sub> emissions trading programs with the same or similar purpose including:

- (a) Entering into any agreement or arrangement with the representatives of other states, including the formation of a for-profit or non-profit corporation, any form of association or any other form of organization, in this or another state; and
- (b) Participating in any such corporation, association, or organization, and in any activity in furtherance of the purposes of this subdivision, in any capacity including, but not limited to, as directors or officers.

VIII. Any actions taken under this subdivision by the department or the commission shall not constitute a waiver of sovereign immunity and shall not be deemed consent to suit outside of New Hampshire.

Source. 2008, 182:2, eff. June 11, 2008. 2012, 281:3, 10, III, eff. Jan. 1, 2013.

**125-O:22 Compliance; Permit Required. -**

I. Each affected CO<sub>2</sub> source shall obtain and retire a quantity of RGGI allowances equivalent to its CO<sub>2</sub> emissions from fossil-fuel fired generation for each compliance period.

II. An affected CO<sub>2</sub> source may use offset allowances for up to 3.3 percent of its compliance obligation, except that in a given compliance period:

- (a) If a stage-one trigger event occurs, an affected CO<sub>2</sub> source may use offset allowances for up to 5 percent of its compliance obligation; and
- (b) If a stage-2 trigger event occurs, the compliance period shall be extended to 4 years and an affected CO<sub>2</sub> source may use offset allowances for up to 10 percent of its compliance obligation, including offset allowances or credits permanently retired from eligible international trading programs, as approved by the department.

III. Purchasers or acquirers of RGGI allowances may retain unused RGGI allowances without limit. Affected CO<sub>2</sub> sources may use retained RGGI allowances in future compliance periods.

IV. No person shall operate an affected CO<sub>2</sub> source without a temporary or operating permit issued by the department in accordance with this chapter and RSA 125-C. An affected CO<sub>2</sub> source that is in operation upon the effective date of this subdivision, shall submit a complete application for a permit

modification to the department no later than January 1, 2009. Applications for permits shall be upon such forms, and shall include such information as the commissioner requires under rules adopted pursuant to RSA 541-A. The commissioner shall act upon a permit application within a reasonable period of time.

V. In addition to the provisions set forth in RSA 125-O:7, an affected CO<sub>2</sub> source that fails to obtain and retire sufficient RGGI allowances during a compliance period, in accordance with RSA 125-O:22, I, shall obtain and surrender 3 RGGI budget or early reduction allowances in the next compliance period for each RGGI allowance that the affected CO<sub>2</sub> source was short in obtaining compliance.

VI. Budget allowances shall be provided to affected CO<sub>2</sub> sources as needed and upon request for CO<sub>2</sub> emissions in periods of operation during which an Operating Procedure 4 capacity deficiency alert is in force as established by the ISO New England Inc. The department shall reserve from auction for such emergency conditions a quantity of allowances equal to one percent of the annual budget allowances which shall be the maximum made available in a given year under this paragraph. The department shall directly sell these allowances to the affected CO<sub>2</sub> sources at the last regional auction clearing price. Those allowances reserved but not sold in a given year as provided in this paragraph shall be auctioned the following calendar year.

VII. Upon recommendation of the commission, the governor with consent of the executive council may declare an emergency supply crisis, and the governor and council may allow affected CO<sub>2</sub> sources to forgo strict compliance with paragraph I for a given compliance period and be given reprieve from any associated penalties, provided that those affected CO<sub>2</sub> sources obtain and retire an additional number of allowances during the next compliance period equivalent to any shortfall in allowances that may have occurred for the compliance period during which the declared emergency was made.

VIII. A distribution company may recover the actual, prudent and reasonable costs of investments in carbon emissions reduction or capture technologies through its default service charge pursuant to RSA 369-B:3, IV(b)(1)(A), provided that the commission first determines that the investment is in the public interest.

Source. 2008, 182:2, eff. June 11, 2008.

#### **125-O:23 Energy Efficiency Fund and Use of Auction Proceeds. --**

I. There is hereby established an energy efficiency fund. This nonlapsing, special fund shall be continually appropriated to the commission to be expended in accordance with this section. The state treasurer shall invest the moneys deposited therein, as provided by law. Income received on investments made by the state treasurer shall also be credited to the fund. All programs supported by these funds shall be subject to audit by the commission as deemed necessary. A portion of the fund moneys shall be used to pay for commission and department costs to administer this subdivision, including contributions for the state's share of the costs of the RGGI regional organization. No fund moneys shall be used by the commission or the department to contract with outside consultants. The commission shall transfer from the fund to the department such costs as may be budgeted and expended, or otherwise approved by the fiscal committee of the general court and the governor and council, for the department's cost of administering this subdivision.

II. All amounts in excess of the threshold price of \$1 for any allowance sale shall be rebated to all default service electric ratepayers in the state on a per-kilowatt-hour basis, in a timely manner to be determined by the commission.

III. All remaining proceeds received by the state from the sale of allowances shall be allocated by the commission as an additional source of funding to electric distribution companies for core energy efficiency programs that are funded by SBC funds.

Source. 2008, 182:2, eff. June 11, 2008. 2009, 236:2, eff. July 16, 2009. 2012, 281:4, eff. Jan. 1, 2013.

**125-O:24 Conversion of Allowances. –**

I. PSNH shall receive credit for allowances received prior to the inception of the RGGI program in the manner described in this section.

II. PSNH shall submit all necessary documentation to the department by January 30, 2009 relative to compliance with RSA 125-O:3, III(d).

III. PSNH shall submit all necessary documentation to the department within 90 days of the effective date of this paragraph relative to RSA 125-O:5, III.

IV. As soon as practicable after the start of the program, the department shall determine the number of allowances previously allocated to PSNH under RSA 125-O:3, II or awarded to PSNH under RSA 125-O:5, III, that remain in PSNH's account of CO<sub>2</sub> allowances held by the department as banked allowances, after the company has completed compliance with the emissions cap of RSA 125-O:3, III(d) for the 2007 and 2008 calendar years.

V. At the distribution rate specified in paragraph VI, the department shall grant to PSNH budget allowances, at no cost, equivalent to the total of the banked allowances pursuant to paragraph IV minus the early reduction allowances granted to PSNH under RSA 125-O:21, IV. PSNH shall be obligated to apply for early reduction allowances for any eligible projects it has undertaken.

VI. The department shall grant budget allowances pursuant to this section as expeditiously as possible, but in no event shall the amount of budget allowances granted pursuant to this section total more than 2.5 million allowances per year in years 2009, 2010, and 2011, and 1.5 million allowances in each year thereafter. For each budget allowance granted, one banked allowance shall be retired.

VII. In the event the state no longer participates in the RGGI program due to legislative action or the RGGI program becomes invalid or unenforceable as determined by the department and certified to the secretary of state, the department shall cease granting budget allowances pursuant to paragraphs V and VI. Notwithstanding the other provisions of this section, PSNH shall have no right or claim to receive any additional budget allowances under this section beyond those already granted to it up to that point in time when participation in the program has ceased or the program has become invalid or unenforceable. If this point in time occurs part way through a year, the number of budget allowances given to PSNH for that year shall be pro-rated based on the distribution rate in effect for that year, provided the total amount of allowances calculated pursuant to paragraph IV has not already been granted to PSNH.

VIII. The department shall not grant budget allowances after December 31, 2014 pursuant to this section without legislative authorization to continue the granting of allowances. Notwithstanding the other provisions of this section, PSNH shall have no right or claim to receive any additional budget allowances under this section beyond those already granted by December 31, 2014, should the legislature not authorize continuation of the allowance granting.

IX. No remaining banked allowances held by the department originating from the calculation performed under paragraph IV, shall be used for RGGI compliance purposes after the department ceases to grant budget allowances in accordance with paragraph VII or VIII. These remaining banked allowances shall not be used for compliance or exchanged for value in any existing or future federal program. When developing future state programs, the legislature may recognize the existence of these remaining banked allowances when determining the future compliance obligations of PSNH.

Source. 2008, 182:2, eff. June 11, 2008.

**125-O:25 Set Aside for Voluntary Purchase of Renewable Energy Certificates. –**

I. The department shall reserve from auction, for retirement purposes, a quantity of budget allowances, not to exceed one percent of the annual budget, equivalent to the CO<sub>2</sub> emissions reductions associated with renewable energy certificates recognized under RSA 362-F and purchased voluntarily

by electricity customers and not resold.

II. Budgeted allowances reserved under paragraph I not retired at the end of each year shall be auctioned the following calendar year.

Source. 2008, 182:2, eff. June 11, 2008.

**125-O:26 Auction of Budget Allowances. –**

Any rules adopted by the department relative to auctions, pursuant to RSA 125-O:8, I(d), shall provide that they:

I. Shall be conducted based on the schedule and frequency adopted by the department in consultation with other entities participating in the RGGI program;

II. Shall include the sale of allowances for current and future years to promote transparency and price stability in a manner to be determined by the department in coordination with the regional organization;

III. Shall include auction design elements that minimize allowance price volatility, guard against bidder collusion, and mitigate the potential for market manipulation;

IV. Shall include provisions to address, and to the extent practicable minimize, the potential for allowance market price volatility during the initial control period of the RGGI program;

V. Shall include provisions to ensure the continued market availability of allowances to entities regulated under a greenhouse gas emissions allowance trading program, taking into account the outcomes of auctions and monitoring of the allowance market, which may include the adoption of a flexible process that allows for ongoing modification of auction design and procedures in response to allowance market conditions and allowance market monitoring data, provided that the process allows for public comment and input; and

VI. May be open to all qualified participants, and all qualified participants may sell or otherwise agree to transfer any or all allowances to any eligible entity.

Source. 2008, 182:2, eff. June 11, 2008.

**125-O:27 Review of the New Hampshire RGGI Program. –**

At the time of the 2012 comprehensive review by the signatory states as required in the MOU, the commission and the department shall concurrently review New Hampshire specific elements of the RGGI program, in particular RSA 125-O:23 and RSA 125-O:25, and include the results of such review in the agencies' annual report under RSA 125-O:21, VI.

Source. 2008, 182:2, eff. June 11, 2008. 2012, 281:5, eff. Jan. 1, 2013.

**125-O:28 Cost Recovery. –**

If the owner of an affected CO<sub>2</sub> source is a public utility pursuant to RSA 362:2 that provides electric distribution service pursuant to RSA 374-F, the owner may recover through the utility's default service charge all prudently incurred costs of complying with the requirements of this subdivision in a manner approved by the commission. In the event PSNH sells an affected CO<sub>2</sub> source, any cost recovery associated with this chapter shall be governed by RSA 369-B:3-a.

Source. 2008, 182:2, eff. June 11, 2008.

SPK 4 2-26-13  
HB 630



February 26, 2013

Chair David Borden  
House Committee on Science, Technology and Energy Committee  
State House  
Concord, NH 03301

RE: HB630

Dear Honorable Members of the Committee:

My name is Catherine Corkery. I am the Chapter Director of New Hampshire Sierra Club (NHSC). Sierra Club is the nation's oldest and largest grassroots organization started in 1892 with over one million members and supporters. The statement of purpose of Sierra Club starts: "To explore, enjoy, and protect the wild places of the Earth." NH Sierra Club has over 10,000 members and supporters in New Hampshire.

Today NHSC is here to oppose HB630, a bill that will remove the Granite State from the Regional Greenhouse Gas Initiative. We oppose the bill because the threat of climate disruption is serious and real. The debate is not about who is to blame but rather what are the fastest ways to reduce carbon pollution and the different ways to apply it.

The Regional Greenhouse Gas Initiative is one step for New Hampshire and our region to do something about reducing carbon from a significant source. The 9 Northeast and Mid-Atlantic states participating in RGGI (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island and Vermont) have implemented the first market-based program in the U.S. to reduce carbon emissions. Power sector CO2 emissions are capped at 188 million short tons per year through 2014. The cap will then be reduced over time. This program was based on the very successful market based sulfur reduction program that has made great strides to stop acid rain here in New Hampshire and the rest of the Northeast.

The issue here should be about strengthening RGGI and helping the program to be more effective, faster and available to more people. Before the changes done last year, the program funded improvements to electrical and thermal energy efficiency of New Hampshire's residential housing and commercial building stock via weatherization, energy auditing, energy efficiency related work force training and development, revolving loan funds for efficiency related investment, related industrial process and control systems, integration of passive solar heating and ventilation systems, and efforts to increase adherence to energy related building and electrical codes. There is still much more to do. Ending this program would be a big mistake.

Before RGGI, New Hampshire cities took it upon themselves to reduce carbon saving their taxpayers millions of dollars in 9 different cities across the state. For example, since 2000 the City of Keene has realized significant

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savings and preserved the values of the community by focusing their resources on efficiencies and the thorough application of core climate principals in investments. Towns and other cities are following, many towns appointing energy committees and performing energy audits.

The State of New Hampshire has also prioritized preparing for climate change with the Clean Power Act that included carbon emissions standards for New Hampshire's power plants of 8,620,460 tons during the years 2009 through 2014, now RSA 125-O:21 II; with increasing building efficiencies of state buildings; with automobile upgrades; and the state's commitment to get 25% renewable energy in the state by the year 2025.

The climate solutions tradition of New Hampshire is a result of years of public participation, the creation of shared climate principals and a commitment to protecting our environment and communities we all love. The Science Technology and Energy Committee will have the first hearing on HB630 today, a bill that would destroy the years of work and public trust.

HB630 would like to erase the successes of the RGGI program. The bill would not only erase the past commitment to climate solutions by the state, it would eliminate any future efforts as well. NHSC represents people who would rather strengthen the program.

New Hampshire Sierra Club would like the opposite of this bill, in fact. – I ask you to restore the program to its former glory to give it the innovation and dynamic tools it once had. NHSC never received funds from RGGI or any government program but we know a good one when we see it. NH Sierra Club urges the House Committee to kill HB630 and live up to the public promise by keeping New Hampshire in the program to protect our public health and future world.

NHSC will carefully monitor and fight against efforts to repeal RGGI because we are committed to promote climate solutions and do what we can to avoid climate catastrophe because we think the Earth is worth it.

Thank you for your time. Please contact me if you have any questions.

Respectfully,

Catherine M. Corkery  
NH Sierra Club, Chapter Director  
603-224-8222 or  
Catherine.corkery@sierraclub.org



**Testimony on HB 630-FN: Attempting to Repeal RGGI  
House Science, Technology and Energy Committee  
February 26, 2013**

My name is Caitlin Rollo and I am the Political and Research Director for Granite State Progress, a multi-issue advocacy organization working on issues of immediate state and local concern. We are opposed to HB 630-FN, an Act repealing RGGI in New Hampshire.

It is a fact that ending participation in RGGI has no gains for the NH ratepayer and the repeal of RGGI does not mean that the NH ratepayer is off the hook. If this legislation passes, every NH ratepayer will still pay for RGGI every month, but New Hampshire will never receive any of the benefits of this program. So why repeal RGGI if there are not any fiscal gains to the NH ratepayer? Why?

Do we really want New Hampshire ratepayers to pay for a service that they will not receive any benefit from, whereas ratepayers in Massachusetts and New York will gain from our ratepayer contributions?

Under this repeal, New Hampshire will no longer participate in the regional auction; therefore, we would receive no proceeds from those auctions. Our state would forfeit millions of dollars that other states will be able to collect. In addition, we would be eliminating a good program that helps reduce carbon emissions in our state and region; and we would jeopardize the Energy Efficiency Fund highlighted in the impact statement which funds energy efficiency projects for local citizens, businesses, nonprofits and governmental entities.

If New Hampshire ratepayers and our state do not stand to benefit from the repeal of RGGI, who does?

The answer can be found in the legislation itself. The RGGI repeal before you has its origins as a model bill from the American Legislative Exchange Council (ALEC). ALEC allows corporations to draft and vote on legislation which is then introduced by ALEC legislators in State Houses all across our country. I have for the committee a copy of that model legislation.

An example of a corporation that stands to benefit from the repeal of RGGI is Koch Industries, a long standing member and corporate funder of ALEC. Koch - which has plants in the Northeast - releases an estimated 300 million tons of carbon dioxide pollution each year. Koch routinely opposes bills and programs to lower those carbon emissions. Koch funded Americans for Prosperity has lobbied against RGGI in the past, from speeches by founder David Koch at the ALEC conference to AFP's robocalls on this issue two years ago.

Allowing corporations to write legislation behind closed doors that advances a CEO's bottom-line but hurts Granite Staters is not the New Hampshire way. We urge the committee to recommend HB 630-FN inexpedient to legislate.

Caitlin Rollo  
Political & Research Director  
Granite State Progress  
(603) 225-2471 / [Caitlin@granitestateprogress.org](mailto:Caitlin@granitestateprogress.org)



2-28-13

February 26, 2013

Chair David Borden  
House Committee on Science, Technology and Energy Committee  
State House  
Concord, NH 03301

RE: HB630

Dear Honorable Members of the Committee:

My name is Catherine Corkery. I am the Chapter Director of New Hampshire Sierra Club (NHSC). Sierra Club is the nation's oldest and largest grassroots organization started in 1892 with over one million members and supporters. The statement of purpose of Sierra Club starts: "To explore, enjoy, and protect the wild places of the Earth." NH Sierra Club has over 10,000 members and supporters in New Hampshire.

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The issue here should be about strengthening RGGI and helping the program to be more effective, faster and available to more people. Before the changes done last year, the program funded improvements to electrical and thermal energy efficiency of New Hampshire's residential housing and commercial building stock via weatherization, energy auditing, energy efficiency related work force training and development, revolving loan funds for efficiency related investment, related industrial process and control systems, integration of passive solar heating and ventilation systems, and efforts to increase adherence to energy related building and electrical codes. There is still much more to do. Ending this program would be a big mistake.

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savings and preserved the values of the community by focusing their resources on efficiencies and the thorough application of core climate principals in investments. Towns and other cities are following, many towns appointing energy committees and performing energy audits.

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The climate solutions tradition of New Hampshire is a result of years of public participation, the creation of shared climate principals and a commitment to protecting our environment and communities we all love. The Science Technology and Energy Committee will have the first hearing on HB630 today, a bill that would destroy the years of work and public trust.

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Thank you for your time. Please contact me if you have any questions.

Respectfully,

Catherine M. Corkery  
NH Sierra Club, Chapter Director  
603-224-8222 or  
Catherine.corkery@sierraclub.org

**Testimony given by Marc Brown of the New England Ratepayers Association to the NH House Science, Technology and Energy Committee on February 26, 2013 on HB 630—repeal of NH Regional Greenhouse Gas Initiative**

Thank you members of the committee. My name is Marc Brown and I am the Executive Director of the New England Ratepayers Association and I am here to offer my support for this bill on behalf of ratepayers in New Hampshire.

The Memorandum of Understanding that was signed in 2005 by participating RGGI states clearly asserts that the CO2 emission cap and trade program is "aimed at stabilizing and then reducing CO2 emissions within the signatory states". When the program began the 2012 emissions cap was set at 165 million short tons. In fact, regional emissions in 2012 are estimated to be around 91 or 92 million short tons. RGGI's mission has been accomplished despite its implementation being rendered superfluous.

These numbers have caused panic in the carbon trading world as carbon allowance have been selling at or near the floor price since the summer of 2010 and as much as 80% of allowances have gone unsold at some quarterly auctions. The low demand for CO2 allowances, the result of a down economy, low natural gas prices and higher gas-fired generation, has been a blessing to ratepayers. Thankfully, these market factors saved ratepayers from footing the bill for what could have been significantly more costly carbon allowances.

There is currently discussion about reducing the cap to artificially increase the cost of allowances. Reducing the allowance cap will have a negative impact on ratepayers in New Hampshire, especially those in the lower income brackets as the cost of these allowance will be felt most sharply by those who spend a higher percentage of income on utility bills.

According to the United States Bureau of Labor Statistics, since January of 2008, when compliance with RGGI began, New Hampshire has lost nearly 12,000 manufacturing jobs, constituting 64% of New Hampshire job loss through November of 2012. New England states have lost over 98,000 manufacturing jobs or 62% of all jobs lost. Both of these numbers are significantly higher than the national average of 55%, likely a result of New England having the highest

regional energy costs in the United States. Most elected officials in New Hampshire, and every other state in the region, have been talking about trying to create or save good manufacturing jobs. The data indicates that RGGI may be having a negative impact on these very jobs. Good intentions aside, we shouldn't be continuing a policy that is harming our ability to grow the economy, especially when the market is helping us to over achieve our initial emissions goals.

Proponents of RGGI will argue that ratepayers should absorb these taxes to combat climate change. The reality is that, however you feel about climate change ideologically, capping CO2 emissions in the RGGI states will have no effect on the climate. The reduced cap would place CO2 emissions just south of 90 million short tons. The United States alone contributes approximately 6 billion short tons of CO2, meaning RGGI states are accountable for only 1.5% of total emissions in the United States and only one quarter of one percent (34 billion tons) globally. This means that CO2 reductions in RGGI states are, literally, useless. Add to the fact that the Kyoto Treaty has now expired, most major western countries are quietly walking away from CO2 caps and China and Russia have no intention of imposing any type of caps on their emissions – why are we imposing higher costs on ratepayers when we actually have hit our targets.

So why should we continue with a program which has already far surpassed its original goal? The only answer I can imagine is to keep charging ratepayers in order to subsidize the renewable energy industry and provide loan guarantees and “energy efficiency” programs to corporations. Ratepayers have rarely seen any benefits from RGGI despite bearing all the costs. The biggest beneficiaries have been companies like Dannon Yogurt and Dartmouth College – large, well funded organizations that don't need RGGI money to pay for their energy efficiency programs.

The implementation of RGGI was bad policy. Ironically, RGGI compliance was overwhelmed by market factors that reduced the need and cost of CO2 allowances. Let's not continue to impose higher costs on our ratepayers and our economy. It's time to declare victory and get rid of RGGI.

2-28-13

2/27/13

The following represents proposed technical changes to HB 306, except for the new section of the bill that addresses the rebate of auction proceeds over \$1 per allowance going to all electric ratepayers rather than to just ratepayers who take default service.

All changes being proposed to Rep. Borden's original amendment (0526h) are shown in blue. Section renumbering will be required.

Rep. Borden, Rock. 24  
February 22, 2013  
2013-0526h  
06/01

Amendment to HB 306

Amend the title of the bill by replacing it with the following:

AN ACT establishing a commission to develop an energy policy for the state and relative to New Hampshire's regional greenhouse gas initiative.

Amend the bill by replacing all after section 3 with the following:

1 4 Multiple Pollutant Reduction Program; Rulemaking. Amend RSA 125-O:8, I(f) to read as  
2 follows:

3 (f) Defining eligible projects for offset allowances under RSA 125-O:21, V, and  
4 establishing criteria to quantify and grant such allowances, including the accreditation of  
5 third-party verifiers, **provided that rulemaking under RSA 541-A shall not be required to**  
6 **update offset allowance quantification protocols to newer versions, after the initial**  
7 **incorporation by reference of date-specific quantification protocols.**

8 5 Definitions; Compliance Period. Amend RSA 125-O:20, IV to read as follows:

9 IV. "Compliance period" means a 3 calendar year time period ~~[, unless extended one~~  
10 ~~calendar year by a stage 2 trigger event]~~. The first compliance period is from January 1, 2009  
11 to December 31, 2011 ~~[, unless a stage 2 trigger event extends the first compliance period to~~  
12 ~~December 31, 2012]~~. Each subsequent sequential 3 calendar year period is a separate  
13 compliance period ~~[subject to a one year extension if a stage 2 trigger event occurs during the~~  
14 ~~compliance period. The compliance period shall never be longer than 4 calendar years].~~

15 ~~6 New Paragraph; Definitions; Cost Containment Allowance. Amend RSA 125-O:20 by~~  
16 ~~inserting after paragraph V the following new paragraph:~~

17 ~~V a. "Cost containment allowance" means a RGGI allowance that is offered for sale at~~  
18 ~~an auction for the purpose of containing the cost of CO2 allowances in accordance with RSA~~  
19 ~~125-O:29. Cost containment allowances offered for sale at an auction are in addition to budget~~  
20 ~~allowances.~~

21 ~~7 New Paragraph; Definitions; Interim Compliance Period. Amend RSA 125-O:20 by~~

1 inserting after paragraph VII the following new paragraph:

2 ~~VII a. "Interim compliance period" means a one calendar year time period, during each~~  
 3 ~~of the first and second calendar years of each 3 year compliance period. The first interim~~  
 4 ~~compliance period starts on January 1, 2015 and ends on December 31, 2015, inclusive. The~~  
 5 ~~second interim compliance period starts on January 1, 2016 and ends on December 31, 2016,~~  
 6 ~~inclusive. Each successive 3 year compliance period will have 2 interim compliance periods,~~  
 7 ~~comprised of each of the first 2 calendar years of that compliance period.~~

8 8 Definitions; Regional Greenhouse Gas Initiative. Amend RSA 125-O:20, XII to read as  
 9 follows:

10 XII. "Regional greenhouse gas initiative" or "RGGI" or "RGGI program" means the  
 11 program to implement the memorandum of understanding (MOU) between signatory states,  
 12 dated December 20, 2005, as amended [on August 8, 2006 and April 20, 2007], and the  
 13 corresponding model rule **as amended February 11, 2013**, to establish a regional CO2  
 14 emissions budget and allowance trading program for emissions from fossil fuel-fired electricity  
 15 generating units.

16 ~~9 Carbon Dioxide Emissions Budget Trading Program. Amend RSA 125-O:21, II and III to~~  
 17 ~~read as follows:~~

18 ~~II. The program shall include a statewide annual **base** budget allowance of [8,620,460]~~  
 19 ~~**4,749,011** tons during [the years 2009 through] 2014. Beginning January 1, 2015 and~~  
 20 ~~ending December 31, [2018] **2020**, the **base** budget shall decline by [215,512 tons] **2.5**~~  
 21 ~~**percent** per year, [resulting in a 10 percent total reduction from the initial budget,] after which~~  
 22 ~~it shall remain unchanged until further legislative action. **For allocation years 2014**~~  
 23 ~~**through 2020, the annual adjusted budget shall be the maximum number of allowances**~~  
 24 ~~**available for allocation in a given allocation year, except for offset allowances and cost**~~  
 25 ~~**containment allowances. To determine the annual adjusted budget, 2 distinct**~~  
 26 ~~**adjustments shall be made to reduce the base budget, as specified in the model rule as**~~  
 27 ~~**amended February 11, 2013, and generally described as follows:**~~

28 ~~\_\_\_\_\_ (a) The first compliance period interim adjustment reduces the base budget~~  
 29 ~~by an amount equal to 100 percent of the 2009, 2010, & 2011 vintage allowances held~~  
 30 ~~by all regional market participants multiplied by 8,620,460 divided by 165,184,246,~~  
 31 ~~and applied in equal increments over the 7 year period 2014-2020 as specified in the~~  
 32 ~~model rule;~~

33 ~~\_\_\_\_\_ (b) The second compliance period interim adjustment reduces the base~~  
 34 ~~budget by an amount equal to 100 percent of the 2012 and 2013 vintage allowances~~  
 35 ~~held by all regional market participants as of the end of 2013 minus the total regional~~  
 36 ~~quantity of 2012 and 2013 CO2 emissions and that difference is multiplied by~~  
 37 ~~8,620,460 divided by 165,184,246 and applied in equal increments over the 6 year~~  
 38 ~~period 2015-2020, as specified in the model rule.~~

39 ~~III. The department shall make available for sale at one or more auctions all of the~~



~~adjusted budget allowances in accordance with RSA 125-O:21, II for a given year, except for those granted or reserved under RSA 125-O:22, VI, 125-O:24, and 125-O:25. The department may also make available for sale at one or more auctions a portion of future year budget allowances. Such auctions may be conducted in coordination with other states. Revenues from the sale of allowances shall be deposited in the energy efficiency fund established under RSA 125-O:23.~~

9 Carbon Dioxide Emissions Budget Trading Program. RSA 125-O:21, II is repealed and reenacted to read as follows:

II. (a) The program shall include a statewide budget allowance total for each year calculated as follows:

2014	4,749,011 - FCPBA	("-" denotes minus)
2015	4,630,286 - FCPBA - SCPBA	
2016	4,514,529 - FCPBA - SCPBA	
2017	4,401,665 - FCPBA - SCPBA	
2018	4,291,624 - FCPBA - SCPBA	
2019	4,184,333 - FCPBA - SCPBA	
2020	4,079,725 - FCPBA - SCPBA	
2021 and thereafter	4,079,725	(unless changed by legislative action)

(b) "FCPBA" means "first compliance period banked allowances" which equals all of the 2009, 2010, & 2011 vintage RGGI allowances that are banked by any person, excluding any participating RGGI state, as of January 1, 2014, multiplied by 8,620,460 and divided by the product of 165,184,246 times 7.

(c) "SCPBA" means "second compliance period banked allowances" which equals all of the 2012 & 2013 vintage RGGI allowances that are banked by any person, excluding any participating RGGI state, as of March 15, 2014, minus the total 2012 & 2013 CO2 emissions from all regional sources subject to RGGI, multiplied by 8,620,460 and divided by the product of 165,184,246 times 6.

**New section of bill.** Unsold Allowances for Cost Containment. Amend RSA 125-O:21, III-a to read as follows:

III-a. Budget allowances that are required to be made available for sale at auction under paragraph III, but remain unsold, shall not be retired by the department, **but may be used for cost containment purposes under RSA 125-O:29.** **AND**

10 Carbon Dioxide Emissions Budget Trading Program. Amend the introductory paragraph of RSA 125-O:21, VI to read as follows:

VI. The department and the commission shall report on an annual basis to the air pollution advisory committee under RSA 125-J:11 and the legislative oversight committee on electric utility restructuring under RSA 374-F:5, on the status of the implementation of RGGI in New Hampshire, with emphasis on the prices and availability of RGGI allowances to affected CO2 sources, **consumer protection mechanisms**, and the trends in electric rates for New

1 Hampshire businesses and ratepayers. The report shall include but not be limited to:

2 11 Carbon Dioxide Emissions Budget Trading Program. Amend RSA 125-O:21, VI(h) to  
3 read as follows:

4 (h) The status of any proposed or adopted federal CO2 cap and trade program, the  
5 impact on New Hampshire's RGGI program, and recommendations for any proposed legislation  
6 necessary to accommodate the federal program; **and**

7 (i) **Effectiveness of allowance price control and consumer protection**  
8 **mechanisms, including, but not limited to, offsets, cost containment reserves, cost**  
9 **thresholds, and consumer rebates.**

10 12 Compliance; Permit Required. Amend RSA 125-O:22, I and II to read as follows:

11 I. Each affected CO2 source shall obtain and retire a quantity of RGGI allowances  
12 equivalent to its CO2 emissions from fossil-fuel fired generation for each compliance period.  
13 ~~Each affected CO2 source shall obtain and retire a quantity of RGGI allowances~~  
14 ~~equivalent to 1/2 of its CO2 emissions from fossil fuel fired generation for each interim~~  
15 ~~compliance period. RGGI allowances used to satisfy interim compliance period~~  
16 ~~requirements shall be credited towards the full compliance period. Such retirement~~  
17 ~~shall be done in stages. At the end of both the first and second year of the compliance~~  
18 ~~period, RGGI allowances equal to 1/2 of the affected source's CO2 emissions during each~~  
19 ~~respective year shall be retired. At the end of the third year of the compliance period,~~  
20 ~~the balance of the total allowances due shall be retired. The retirement of allowances~~  
21 ~~at the end of the first and second year shall not apply to the compliance period ending~~  
22 ~~December 31, 2014.~~

23 II. An affected CO2 source may use offset allowances for up to 3.3 percent of its  
24 compliance obligation[, except that in a given compliance period:

25 (a) ~~If a stage one trigger event occurs, an affected CO2 source may use offset~~  
26 ~~allowances for up to 5 percent of its compliance obligation; and~~

27 (b) ~~If a stage 2 trigger event occurs, the compliance period shall be extended to 4~~  
28 ~~years and an affected CO2 source may use offset allowances for up to 10 percent of its~~  
29 ~~compliance obligation, including offset allowances or credits permanently retired from eligible~~  
30 ~~international trading programs, as approved by the department].~~

31 **New section of bill. Threshold Price Rebate.** Amend RSA 125-O:23, II to read as follows:

32 II. All amounts in excess of the threshold price of \$1 for any allowance sale shall be  
33 rebated to all [<sup>retail</sup> default service] electric ratepayers in the state on a per-kilowatt-hour basis, in a  
34 timely manner to be determined by the commission.

35 13 Auction of Budget Allowances. Amend RSA 125-O:26, II to read as follows:

36 II. Shall include the sale of allowances for current [and future] years **and may include**  
37 **the sale of allowances for future years** to promote transparency and price stability in a  
38 manner to be determined by the department in coordination with the regional organization;

39 14 Review of the New Hampshire RGGI Program. Amend RSA 125-O:27 to read as follows:

1 125-O:27 Review of the New Hampshire RGGI Program.

2 At the time of the [2012] **2016** comprehensive review by the [~~signatory states as required in~~  
3 ~~the MOU~~] **participating states**, the commission and the department shall concurrently review  
4 New Hampshire specific elements of the RGGI program, [~~in particular RSA 125-O:23 and RSA~~  
5 ~~125-O:25,~~] and include the results of such review **and any recommendations for revisions**  
6 **to the New Hampshire regional greenhouse gas initiative program under RSA 125-O:19-**  
7 **29, resulting from this review in the agencies' annual report under RSA 125-O:21, VI** in  
8 the agencies' annual report under RSA 125-O:21, VI.

9 15 New Section; Cost Containment Allowances in Addition to Budget. Amend RSA 125-O  
10 by inserting after section 28 the following new section:

11 125-O:29 ~~Cost Containment~~ Allowances Used for Cost Containment ~~in Addition to the~~  
12 ~~Budget.~~

13 I. For purposes of cost containment, the department shall make available for sale at  
14 one or more auctions up to 260,935 ~~cost containment~~ allowances for 2014 or, for any year  
15 thereafter, up to 521,869 ~~cost containment~~ allowances that shall be in addition to the budget  
16 allowance total for the given year under RSA 125-O:21, II, if:

17 (a) The CO2 allowance auction price equals or exceeds \$4 in 2014;

18 (b) The CO2 allowance auction price equals or exceeds \$6 in 2015;

19 (c) The CO2 allowance auction price equals or exceeds \$8 in 2016;

20 (d) The CO2 allowance auction price equals or exceeds \$10 in 2017;

21 (e) The CO2 allowance auction price equals or exceeds \$10.25 in 2018;

22 (f) The CO2 allowance auction price equals or exceeds \$10.51 in 2019;

23 (g) The CO2 allowance auction price equals or exceeds \$10.77 in 2020; or

24 (h) In any year thereafter, the CO2 allowance auction price equals or exceeds 1.025  
25 multiplied by the auction price at which cost containment allowances were required to be made  
26 available in the previous calendar year rounded to the nearest whole cent, until further  
27 legislative action.

28 ~~II. Unsold allowances from any auction may be used for the purpose of paragraph I.~~

29 III. ~~Cost containment~~ The allowances sold pursuant to paragraph I shall be  
30 replenished, such that the full 521,869 allowances, if needed, are available the following  
31 calendar year.

32 16. Repeal. RSA 125-O:20, V, VIII, ~~and XVI~~, and XVII relative to regional greenhouse gas  
33 initiative definitions, is repealed.

34 17 Effective Date.

35 I. Section 3 of this act shall take effect December 1, 2013.

36 II. Sections 4 through 16 of this act shall take effect January 1, 2014.

37 III. The remainder of this act shall take effect upon its passage.

# Voting Sheets

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on HB 630-FN

**BILL TITLE:** repealing the New Hampshire regional greenhouse gas initiative program.

**DATE:** 3-5-13

**LOB ROOM:** 304

**Amendments:**

Sponsor: Rep. Cali-Pitts	OLS Document #:	2013	0712h
Sponsor: Rep.	OLS Document #:		
Sponsor: Rep.	OLS Document #:		

**Motions:** OTP OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. Cali-Pitts

Seconded by Rep. Sheparson

Vote: 19-0 (Please attach record of roll call vote.)

**Motions:** OTP OTP/A ITL, Retained (Please circle one.)

Moved by Rep. Mann

Seconded by Rep. Shepardson

Vote: 16-3 (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE:** Consent or Regular (circle One)

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep. James E. Devine, Acting Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on HB 630-FN

**BILL TITLE:** repealing the New Hampshire regional greenhouse gas initiative program.

**DATE:** 3-5-13

**LOB ROOM:** 304

Amendments:

Sponsor: Rep. CALIPITTS 1st

OLS Document #: 2013 0712h

Sponsor: Rep. RAPPAPORTZAND

OLS Document #:

Sponsor: Rep. OTP 19-0

OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. MANN

Seconded by Rep. SHEPARDSON

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE:** Consent or Regular (circle One)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Robert E. Introne, Clerk

MANN Rlerb



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/10/2013 11:27:09 AM  
Roll Call Committee Registers  
Report

2013 SESSION

SCIENCE, TECHNOLOGY AND ENERGY

Bill #: HB030-FN Title: repealing R66I

PH Date:    /   /    Exec Session Date:    /   /   

Motion: Amendment Amendment #: 20130712h

MEMBER OTP YEAS NAYS

MEMBER	YEAS	NAYS
Borden, David A, Chairman	/	
Townsend, Charles L, V Chairman	/	
Cali-Pitts, Jacqueline A	/	
Levasseur, Nickolas J	/	
Pastor, Beatriz	/	
Baber, William S	/	
Backus, Robert A	/	
Grossman, Kenneth	/	
Mann, John E <u>StarB</u>	/	
Raymond, Ian P	/	
Shepardson, Marjorie J	/	
Introne, Robert E, Clerk		
Devine, James E	/	
Rappaport, Laurence M	/	
Bradley, Lester W	/	
Reilly, Harold T	/	
Khan, Aboul B	/	
LeVasseur, Richard D	/	
Murotake, David K	/	
Vadney, Herbert R	/	
<b>TOTAL VOTE:</b>	<u>19</u>	<u>0</u>



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/10/2013 11:27:09 AM  
Roll Call Committee Registers  
Report

2013 SESSION

SCIENCE, TECHNOLOGY AND ENERGY

Bill #: HB 630-FN Title: repealing RGGI

PH Date: 1 / 1 / Exec Session Date: 3 15 13

Motion: OTPA Amendment #: \_\_\_\_\_

MEMBER

YEAS

NAYS

MEMBER	YEAS	NAYS
Borden, David A, Chairman	1	
Townsend, Charles L, V Chairman	1	
Cali-Pitts, Jacqueline A	1	
Levasseur, Nickolas J	1	
Pastor, Beatriz	1	
Baber, William S	1	
Backus, Robert A	1	
Grossman, Kenneth	1	
X Mann, John E 1st	1	
Raymond, Ian P	1	
2nd Shepardson, Marjorie J	1	
Introne, Robert E, Clerk		
Devine, James E		1
Rappaport, Laurence M		1
Bradley, Lester W	1	
Reilly, Harold T	1	
Khan, Aboul B	1	
LeVasseur, Richard D	1	
Murotake, David K	1	
Vadney, Herbert R		1
<b>TOTAL VOTE:</b>	<b>16</b>	<b>3</b>



# Committee Report

**REGULAR CALENDAR**

**March 13, 2013**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Committee on SCIENCE, TECHNOLOGY AND ENERGY to which was referred HB630-FN,**

**AN ACT repealing the New Hampshire regional greenhouse gas initiative program. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.**

**Rep. John E Mann**

**FOR THE COMMITTEE**

## COMMITTEE REPORT

Committee:	SCIENCE, TECHNOLOGY AND ENERGY
Bill Number:	HB630-FN
Title:	repealing the New Hampshire regional greenhouse gas initiative program.
Date:	March 7, 2013
Consent Calendar:	NO
Recommendation:	OUGHT TO PASS WITH AMENDMENT

### STATEMENT OF INTENT

This bill, as amended, will require that at least 20% of the RGGI proceeds that are not returned to ratepayers, as currently required by law, are allocated for energy efficiency improvements in low-income households.

Vote 16-3.

Rep. John E Mann  
FOR THE COMMITTEE

Original: House Clerk  
Cc: Committee Bill File

**REGULAR CALENDAR**

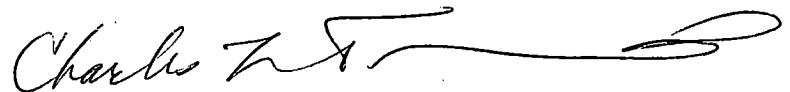
**SCIENCE, TECHNOLOGY AND ENERGY**

**HB630-FN**, repealing the New Hampshire regional greenhouse gas initiative program. **OUGHT TO PASS WITH AMENDMENT.**

Rep. John E Mann for **SCIENCE, TECHNOLOGY AND ENERGY**. This bill, as amended, will require that at least 20% of the RGGI proceeds that are not returned to ratepayers, as currently required by law, are allocated for energy efficiency improvements in low-income households. **Vote 16-3.**

HB 630  
OTP/A  
#0712h  
Rep. Jon E. Mann  
16-3  
Regular Calendar

This bill, as amended , will require that at least 20% of the RGGI proceeds that are not returned to ratepayers, as currently required by law, are allocated for energy efficiency improvements in low-income households.

A handwritten signature in cursive script, appearing to read "Charles F. Mann", with a long, sweeping horizontal flourish extending to the right.

HB 630  
OTP/A  
#0712h  
Rep. Jon E. Mann  
16-3

Regular Calendar

~~This bill allocates 20% or more of RGGI proceeds for energy efficiency improvements in low-income households.~~

*as amended by the committee, that are not returned to ratepayers*

*This bill, as amended, ~~by the comm~~ will require that at least 20% of the RGGI proceeds that are not returned to ratepayers <sup>as currently required by law,</sup> are allocated for energy efficiency improvements in low-income households.*

## Stapler, Carol

---

**From:** David Borden [david@oursustainablenh.com]  
**Sent:** Wednesday, March 06, 2013 3:01 PM  
**To:** Stapler, Carol  
**Cc:** Anderson, Joel  
**Subject:** Re: Emailing: HB 630.doc

Dear Carol

This is fine but please check with Joel. We might want ,to be more specific that the money comes from the portion of proceeds not returned to the ratepayers.

Best regards

David  
Sent from my iPad

On Mar 6, 2013, at 2:36 PM, "Stapler, Carol"  
<carol.stapler@leg.state.nh.us> wrote:

>  
> Here is Rep. Mann's blurb ... in case I only dreamed about sending it!  
> :)  
>  
>  
> The message is ready to be sent with the following file or link attachments:  
>  
> HB 630.doc  
>  
>  
> Note: To protect against computer viruses, e-mail programs may prevent sending or  
> receiving certain types of file attachments. Check your e-mail security settings to  
> determine how attachments are handled.  
> <HB 630.doc>