

LEGISLATIVE COMMITTEE MINUTES

SB123

Bill as Introduced

SB 123-FN-LOCAL – AS INTRODUCED

2013 SESSION

13-0496

09/05

SENATE BILL ***123-FN-LOCAL***

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

SPONSORS: Sen. Stiles, Dist 24; Sen. Bradley, Dist 3; Sen. Odell, Dist 8; Sen. Fuller Clark, Dist 21; Rep. Kaen, Straf 5; Rep. Flanagan, Hills 26; Rep. Borden, Rock 24; Rep. John Hunt, Ches 11; Rep. Copeland, Rock 19

COMMITTEE: Energy and Natural Resources

ANALYSIS

This bill dedicates certain proceeds from the regional greenhouse gas initiative (RGGI) program to municipal and local government energy efficiency projects.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

13-0496

09/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

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

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

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

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. *For the biennium beginning July 1, 2013, up to \$2,000,000 of these remaining RGGI proceeds shall be dedicated annually to program awards for municipal and local government energy efficiency projects, including local governments that have their own municipal utilities. For each biennium thereafter, the amount of proceeds available annually shall increase by 20 percent over the prior biennium. Program awards shall be made on a competitive application basis under the authority of the public utilities commission.*

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

LBAO

13-0496

Revised 01/31/13

SB 123 FISCAL NOTE

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

FISCAL IMPACT:

The Public Utilities Commission and Department of Environmental Services state this bill, **as introduced**, will increase local revenue and expenditures by \$2,000,000 in FY 2014, \$2,000,000 in FY 2015, \$2,400,000 in FY 2016, and \$2,400,000 in FY 2017. The Commission also states this bill may increase state expenditures by an indeterminable amount in FY 2014 and each year thereafter. There is no fiscal impact on state and county revenue, or county expenditures.

METHODOLOGY:

The Public Utilities Commission and Department of Environmental Services state this bill will direct that for the biennium beginning July 1, 2013, up to \$2,000,000 of regional greenhouse gas initiatives be dedicated annually to program awards for municipal and local government energy efficiency projects. For each biennium thereafter, the amount shall increase by 20 percent over the prior biennium. This will result in local revenue and expenditures increasing by \$2,000,000 in FY 2014, \$2,000,000 in FY 2015, \$2,400,000 in FY 2016, and \$2,400,000 in FY 2017. The Commission and Department state the awards to the local governments are to be made on a competitive application process under the authority of the Commission. The Commission states administering the competitive application process and ranking the bidders may increase expenditures of the Commission by an indeterminable amount. The Commission anticipates the increased costs would

result from the need for additional staff time and/ or a consultant, but is not clear the source of funds that should be used for any increased costs.

This bill does not contain authorization or an appropriation for additional positions.

SB 123-FN-LOCAL – AS AMENDED BY THE SENATE

03/14/13 0804s

2013 SESSION

13-0496

09/05

SENATE BILL *123-FN-LOCAL*

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

SPONSORS: Sen. Stiles, Dist 24; Sen. Bradley, Dist 3; Sen. Odell, Dist 8; Sen. Fuller Clark, Dist 21; Rep. Kaen, Straf 5; Rep. Flanagan, Hills 26; Rep. Borden, Rock 24; Rep. John Hunt, Ches 11; Rep. Copeland, Rock 19

COMMITTEE: Energy and Natural Resources

AMENDED ANALYSIS

This bill dedicates certain proceeds from the regional greenhouse gas initiative (RGGI) program to municipal and local government energy efficiency projects. This bill also requires rebates of allowance sale proceeds to be made to all electric ratepayers.

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.

03/14/13 0804s

13-0496

09/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

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

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

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

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. *For each biennium beginning July 1, 2013, up to \$2,000,000 of these remaining RGGI proceeds shall be dedicated annually to program awards for municipal and local government energy efficiency projects, including local governments that have their own municipal utilities. Program awards shall be made on a competitive application basis under the authority of the core energy efficiency program.*

2 Program Evaluation. The public utilities commission shall not evaluate and approve core energy efficiency programs under RSA 125-O:23 solely on the basis of a total resource cost (TRC) ratio of one or greater, but shall evaluate such programs in the same manner as core educational and/or Smart Start programs are evaluated.

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

LBAO

13-0496

Amended 03/18/13

SB 123 FISCAL NOTE

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

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill, as amended by the Senate (Amendment #2013-0804s), as it is awaiting information from the Department of Environmental Services and the Public Utilities Commission. When completed, the fiscal note will be forwarded to the Senate Clerk's Office.

SB 123-FN-LOCAL – AS AMENDED BY THE HOUSE

03/14/13 0804s

5June2013... 1860h

2013 SESSION

13-0496

09/05

SENATE BILL *123-FN-LOCAL*

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

SPONSORS: Sen. Stiles, Dist 24; Sen. Bradley, Dist 3; Sen. Odell, Dist 8; Sen. Fuller Clark, Dist 21; Rep. Kaen, Straf 5; Rep. Flanagan, Hills 26; Rep. Borden, Rock 24; Rep. John Hunt, Ches 11; Rep. Copeland, Rock 19

COMMITTEE: Energy and Natural Resources

AMENDED ANALYSIS

This bill allocates certain proceeds from the regional greenhouse gas initiative (RGGI) program to municipal and local government energy efficiency projects. This bill also permits return of unused allowance sale proceeds to business and municipal customers who fund the systems benefit charge.

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.

03/14/13 0804s

5June2013... 1860h

13-0496

09/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

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

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

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

II. All amounts in excess of the threshold price of \$1 for any allowance sale shall be rebated to all retail 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 which are approved by the commission and funded by SBC funds. Beginning January 1, 2014, the core utilities shall dedicate up to \$2,000,000 of these remaining RGGI proceeds annually for municipal and local government energy efficiency projects, including projects by local governments that have their own municipal utilities. Funding elements shall include, but not be limited to, funding for direct technical and project management assistance to identify and encourage comprehensive projects and incentives structured to assist municipal and local governments funding energy efficiency projects. In calendar years 2014, 2015, and 2016, any unused funds allocated to municipal and local government projects under this paragraph remaining at the end of the year shall roll over and be added to the new calendar year program funds and continue to be made available exclusively for municipal and local government projects. Beginning in calendar year 2017, and all subsequent years, funds allocated to municipal and local government projects under this paragraph shall be offered first to municipal and local governments as described in this paragraph for no less than 4 full calendar months. If, at the end of this time, municipal and local governments have not submitted requests for eligible projects that will expend the funds allocated to municipal and local government projects under this paragraph within that program year, the funds shall be offered on a first-come, first-serve basis to business and municipal customers who fund the systems benefit charge.

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

II. All amounts in excess of the threshold price of \$1 for any allowance sale shall be rebated to all retail 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 which are approved by the commission

and funded by SBC funds. In allocating the proceeds, the commission shall first allocate at least 15 percent of the amount of the proceeds to the low-income core energy efficiency program. Beginning January 1, 2014, the core utilities shall dedicate up to \$2,000,000 of these remaining RGGI proceeds annually for municipal and local government energy efficiency projects, including projects by local governments that have their own municipal utilities. Funding elements shall include, but not be limited to, funding for direct technical and project management assistance to identify and encourage comprehensive projects and incentives structured to assist municipal and local governments funding energy efficiency projects. In calendar years 2014, 2015, and 2016, any unused funds allocated to municipal and local government projects under this paragraph remaining at the end of the year shall roll over and be added to the new calendar year program funds and continue to be made available exclusively for municipal and local government projects. Beginning in calendar year 2017, and all subsequent years, funds allocated to municipal and local government projects under this paragraph shall be offered first to municipal and local governments as described in this paragraph for no less than 4 full calendar months. If, at the end of this time, municipal and local governments have not submitted requests for eligible projects that will expend the funds allocated to municipal and local government projects under this paragraph within that program year, the funds shall be offered on a first-come, first-serve basis to business and municipal customers who fund the systems benefit charge.

3 Contingency. If HB 630-FN of the 2013 regular legislative session becomes law, section 2 of this act shall take effect January 1, 2014 at 12:01 a.m. and section 1 of this act shall take not take effect. If HB 630-FN does not become law, section 1 of this act shall take effect January 1, 2014 and section 2 of this act shall not take effect.

4 Effective Date.

I. Sections 1 and 2 of this act shall take effect as provided in section 3 of this act.

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

LBAO

13-0496

Revised 04/10/13

Amended 03/18/13

SB 123 FISCAL NOTE

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

FISCAL IMPACT:

The Public Utilities Commission and Department of Environmental Services state this bill, **as amended by the Senate (Amendment #2013-0804s)**, will increase local revenue by an indeterminable amount, and have an indeterminable impact on state, county, and local expenditures in FY 2014 and each year thereafter. There is no fiscal impact on state and county revenue.

METHODOLOGY:

The Public Utilities Commission and Department of Environmental Services state this bill directs that for the biennium beginning July 1, 2013, up to \$2,000,000 of regional greenhouse gas initiative proceeds be dedicated annually to program awards for municipal and local government energy efficiency projects, including local governments that have their own municipal utilities. The Commission and Department state the awards to the local governments are to be made on the basis of a competitive application process under the authority of the Core energy efficiency program. The Commission and Department state that by allocating up to \$2,000,000 annually to municipal and local governments for energy efficiency upgrades, the bill may reduce municipal and local electricity and fuel usage, decreasing costs to an indeterminable extent. Further, to the extent that the Core energy efficiency offerings to municipal and local governments must be offered on a competitive basis rather than the current first-come, first serve basis, the bill may increase the administrative costs of the Core energy efficiency programs by an indeterminable amount and thus slightly reduce funds available for energy efficiency measures.

CHAPTER 269

SB 123-FN-LOCAL – FINAL VERSION

03/14/13 0804s

5June2013... 1860h

06/26/13 2188EBA

2013 SESSION

13-0496

09/05

SENATE BILL *123-FN-LOCAL*

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

SPONSORS: Sen. Stiles, Dist 24; Sen. Bradley, Dist 3; Sen. Odell, Dist 8; Sen. Fuller Clark, Dist 21; Rep. Kaen, Straf 5; Rep. Flanagan, Hills 26; Rep. Borden, Rock 24; Rep. John Hunt, Ches 11; Rep. Copeland, Rock 19

COMMITTEE: Energy and Natural Resources

AMENDED ANALYSIS

This bill allocates certain proceeds from the regional greenhouse gas initiative (RGGI) program to municipal and local government energy efficiency projects. This bill also permits return of unused allowance sale proceeds to business and municipal customers who fund the system benefits charge.

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.

03/14/13 0804s

5June2013... 1860h

06/26/13 2188EBA

13-0496

09/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

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

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

269:1 Energy Efficiency Fund and Use of Auction Proceeds. RSA 125-O:23, II-III are repealed and reenacted to read as follows:

II. All amounts in excess of the threshold price of \$1 for any allowance sale shall be rebated to all retail 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 which are approved by the commission and funded by SBC funds. Beginning January 1, 2014, the core utilities shall dedicate up to \$2,000,000 of these remaining RGGI proceeds annually for municipal and local government energy efficiency projects, including projects by local governments that have their own municipal utilities. Funding elements shall include, but not be limited to, funding for direct technical and project management assistance to identify and encourage comprehensive projects and incentives structured to assist municipal and local governments funding energy efficiency projects. In calendar years 2014, 2015, and 2016, any unused funds allocated to municipal and local government projects under this paragraph remaining at the end of the year shall roll over and be added to the new calendar year program funds and continue to be made available exclusively for municipal and local government projects. Beginning in calendar year 2017, and all subsequent years, funds allocated to municipal and local government projects under this paragraph shall be offered first to municipal and local governments as described in this paragraph for no less than 4 full calendar months. If, at the end of this time, municipal and local governments have not submitted requests for eligible projects that will expend the funds allocated to municipal and local government projects under this paragraph within that program year, the funds shall be offered on a first-come, first-serve basis to business and municipal customers who fund the system benefits charge.

269:2 Energy Efficiency Fund and Use of Auction Proceeds. RSA 125-O:23, II-III are repealed and reenacted to read as follows:

II. All amounts in excess of the threshold price of \$1 for any allowance sale shall be rebated to all retail 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 which are approved by the commission and funded by SBC funds. In allocating the proceeds, the commission shall first allocate at least 15 percent of the amount of the proceeds to the low-income core energy efficiency program. Beginning January 1, 2014, the core utilities shall dedicate up to \$2,000,000 of these remaining RGGI proceeds annually for municipal and local government energy efficiency projects, including projects by local governments that have their own municipal utilities. Funding elements shall include, but not be limited to, funding for direct technical and project management assistance to identify and encourage comprehensive projects and incentives structured to assist municipal and local governments funding energy efficiency projects. In calendar years 2014, 2015, and 2016, any unused funds allocated to municipal and local government projects under this paragraph remaining at the end of the year shall roll over and be added to the new calendar year program funds and continue to be made available exclusively for municipal and local government projects. Beginning in calendar year 2017, and all subsequent years, funds allocated to municipal and local government projects under this paragraph shall be offered first to municipal and local governments as described in this paragraph for no less than 4 full calendar months. If, at the end of this time, municipal and local governments have not submitted requests for eligible projects that will expend the funds allocated to municipal and local government projects under this paragraph within that program year, the funds shall be offered on a first-come, first-serve basis to business and municipal customers who fund the system benefits charge.

269:3 Contingency. If HB 630-FN of the 2013 regular legislative session becomes law, section 2 of this act shall take effect January 1, 2014 at 12:01 a.m. and section 1 of this act shall take not take effect. If HB 630-FN does not become law, section 1 of this act shall take effect January 1, 2014 and section 2 of this act shall not take effect.

269:4 Effective Date.

- I. Sections 1 and 2 of this act shall take effect as provided in section 3 of this act.
- II. The remainder of this act shall take effect upon its passage.

Approved: July 24, 2013

Effective Date: I. Sections 1 and 2 shall take effect as provided in section 3.

II. Remainder shall take effect July 24, 2013.

Amendments

Sen. Stiles, Dist. 24
Sen. Bradley, Dist. 3
March 5, 2013
2013-0698s
09/04

Amendment to SB 123-FN-LOCAL

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

2

3 1 Energy Efficiency Fund and Use of Auction Proceeds. Amend RSA 125-O:23, II-III to read as
4 follows:

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

8 III. All remaining proceeds received by the state from the sale of allowances shall be
9 allocated by the commission as an additional source of funding to electric distribution companies for
10 core energy efficiency programs that are funded by SBC funds. *For each biennium beginning*
11 *July 1, 2013, up to \$2,000,000 of these remaining RGGI proceeds shall be dedicated*
12 *annually to program awards for municipal and local government energy efficiency*
13 *projects, including local governments that have their own municipal utilities. Program*
14 *awards shall be made on a competitive application basis under the authority of the core*
15 *energy efficiency program.*

16 2 Program Evaluation. The public utilities commission shall not evaluate and approve core
17 energy efficiency programs under RSA 125-O:23 solely on the basis of a total resource cost (TRC)
18 ratio of one or greater, but shall evaluate such programs in the same manner as core educational
19 and/or Smart Start programs are evaluated.

20 3 Effective Date. This act shall take effect July 1, 2013.

Amendment to SB 123-FN-LOCAL
- Page 2 -

2013-0698s

AMENDED ANALYSIS

This bill dedicates certain proceeds from the regional greenhouse gas initiative (RGGI) program to municipal and local government energy efficiency projects. This bill also requires rebates of allowance sale proceeds to be made to all electric ratepayers.

Amendment to SB 123-FN-LOCAL

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

2
3 1 Energy Efficiency Fund and Use of Auction Proceeds. Amend RSA 125-O:23, II-III to read as
4 follows:

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

8 III. All remaining proceeds received by the state from the sale of allowances shall be
9 allocated by the commission as an additional source of funding to electric distribution companies for
10 core energy efficiency programs that are funded by SBC funds. *For each biennium beginning*
11 *July 1, 2013, up to \$2,000,000 of these remaining RGGI proceeds shall be dedicated*
12 *annually to program awards for municipal and local government energy efficiency*
13 *projects, including local governments that have their own municipal utilities. Program*
14 *awards shall be made on a competitive application basis under the authority of the core*
15 *energy efficiency program.*

16 2 Program Evaluation. The public utilities commission shall not evaluate and approve core
17 energy efficiency programs under RSA 125-O:23 solely on the basis of a total resource cost (TRC)
18 ratio of one or greater, but shall evaluate such programs in the same manner as core educational
19 and/or Smart Start programs are evaluated.

20 3 Effective Date. This act shall take effect July 1, 2013.

Amendment to SB 123-FN-LOCAL

- Page 2 -

2013-0804s

AMENDED ANALYSIS

This bill dedicates certain proceeds from the regional greenhouse gas initiative (RGGI) program to municipal and local government energy efficiency projects. This bill also requires rebates of allowance sale proceeds to be made to all electric ratepayers.

Rep. Pastor, Graf. 12
May 21, 2013
2013-1860h
09/04

Amendment to SB 123-FN-LOCAL

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

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

II. All amounts in excess of the threshold price of \$1 for any allowance sale shall be rebated to all retail 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 which are approved by the commission and funded by SBC funds. Beginning January 1, 2014, the core utilities shall dedicate up to \$2,000,000 of these remaining RGGI proceeds annually for municipal and local government energy efficiency projects, including projects by local governments that have their own municipal utilities. Funding elements shall include, but not be limited to, funding for direct technical and project management assistance to identify and encourage comprehensive projects and incentives structured to assist municipal and local governments funding energy efficiency projects. In calendar years 2014, 2015, and 2016, any unused funds allocated to municipal and local government projects under this paragraph remaining at the end of the year shall roll over and be added to the new calendar year program funds and continue to be made available exclusively for municipal and local government projects. Beginning in calendar year 2017, and all subsequent years, funds allocated to municipal and local government projects under this paragraph shall be offered first to municipal and local governments as described in this paragraph for no less than 4 full calendar months. If, at the end of this time, municipal and local governments have not submitted requests for eligible projects that will expend the funds allocated to municipal and local government projects under this paragraph within that program year, the funds shall be offered on a first-come, first-serve basis to business and municipal customers who fund the systems benefit charge.

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

II. All amounts in excess of the threshold price of \$1 for any allowance sale shall be rebated to all retail 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 which are approved by the commission and funded by SBC funds. In allocating the proceeds, the commission shall first allocate at least 15 percent of the amount of the proceeds to the low-income core energy efficiency program. Beginning January 1, 2014, the core utilities shall dedicate up to \$2,000,000 of these remaining RGGI proceeds annually for municipal and local government energy

efficiency projects, including projects by local governments that have their own municipal utilities. Funding elements shall include, but not be limited to, funding for direct technical and project management assistance to identify and encourage comprehensive projects and incentives structured to assist municipal and local governments funding energy efficiency projects. In calendar years 2014, 2015, and 2016, any unused funds allocated to municipal and local government projects under this paragraph remaining at the end of the year shall roll over and be added to the new calendar year program funds and continue to be made available exclusively for municipal and local government projects. Beginning in calendar year 2017, and all subsequent years, funds allocated to municipal and local government projects under this paragraph shall be offered first to municipal and local governments as described in this paragraph for no less than 4 full calendar months. If, at the end of this time, municipal and local governments have not submitted requests for eligible projects that will expend the funds allocated to municipal and local government projects under this paragraph within that program year, the funds shall be offered on a first-come, first-serve basis to business and municipal customers who fund the systems benefit charge.

3 Contingency. If HB 630-FN of the 2013 regular legislative session becomes law, section 2 of this act shall take effect January 1, 2014 at 12:01 a.m. and section 1 of this act shall not take effect. If HB 630-FN does not become law, section 1 of this act shall take effect January 1, 2014 and section 2 of this act shall not take effect.

4 Effective Date.

- I. Sections 1 and 2 of this act shall take effect as provided in section 3 of this act.
- II. The remainder of this act shall take effect upon its passage.

2013-1860h

AMENDED ANALYSIS

This bill allocates certain proceeds from the regional greenhouse gas initiative (RGGI) program to municipal and local government energy efficiency projects. This bill also permits return of unused allowance sale proceeds to business and municipal customers who fund the systems benefit charge.

Committee Minutes

**SENATE CALENDAR NOTICE
ENERGY AND NATURAL RESOURCES**

Senator Russell Prescott Chairman
 Senator Bob Odell V Chairman
 Senator Jeb Bradley
 Senator Martha Fuller Clark
 Senator Jeff Woodburn

For Use by Senate Clerk's Office ONLY	
<input type="checkbox"/>	Bill Status
<input type="checkbox"/>	Docket
<input type="checkbox"/>	Calendar
Proof: <input type="checkbox"/>	Calendar <input type="checkbox"/> Bill Status

Date: February 6, 2013

HEARINGS

Wednesday

2/13/2013

ENERGY AND NATURAL RESOURCES

LOB 101

9:00 AM

(Name of Committee)

(Place)

(Time)

EXECUTIVE SESSION MAY FOLLOW

9:00 AM	SB31	relative to a ban on the incidental combustion of untreated wood at municipal transfer stations.
9:15 AM	SB59-FN	prohibiting the cruel confinement of certain farm animals.
9:30 AM	SB66-FN	relative to the regional greenhouse gas initiative cap and trade program.
9:45 AM	SB123-FN-L	relative to the use of proceeds from the regional greenhouse gas initiative program.
10:00 AM	SB131-FN-L	relative to a permitting process for the removal of submerged logs from certain great ponds.

Sponsors:

SB31

Sen. Bob Odell
 Rep. Tara Sad

Sen. Jeanie Forrester
 Rep. James Coffey

Rep. Gene Chandler
 Rep. Suzanne Smith

Rep. James Grenier
 Sen. Jeff Woodburn

SB59-FN

Sen. Sharon Carson
 Sen. Peggy Gilmour

Rep. Frank Davis

Rep. Pamela Hubbard

Sen. John Reagan

SB66-FN

Sen. Martha Fuller Clark

Sen. Sylvia Larsen

Rep. Naida Kaen

SB123-FN-L

Sen. Nancy Stiles
 Rep. Naida Kaen

Sen. Jeb Bradley
 Rep. Jack Flanagan

Sen. Bob Odell
 Rep. David Borden

Sen. Martha Fuller Clark
 Rep. John Hunt

Rep. Timothy Copeland

SB131-FN-L

Sen. Jeb Bradley

SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

Chris Cote, Legislative Aide

SB 123 – relative to the use of proceeds from the regional greenhouse gas initiative program.

Hearing Date: 2.13.13

Time Opened: 10:30am

Time Closed: 11:25am

Members of the Committee Present: Senators Bradley, Fuller Clark, Odell, Prescott, and Woodburn

Members of the Committee Absent:

Bill Analysis: This bill dedicates certain proceeds from the regional greenhouse gas initiative (RGGI) program to municipal and local government energy efficiency projects.

Sponsors: Sen. Stiles, Dist 24; Sen. Bradley, Dist 3; Sen. Odell, Dist 8; Sen. Fuller Clark, Dist 21; Rep. Kaen, Straf 5; Rep. Flanagan, Hills 26; Rep. Borden, Rock 24; Rep. John Hunt, Ches 11; Rep. Copeland, Rock 19

Who supports the bill:

Sen. Stiles, Rep. Ian Raymond, Rep. Suzanne Smith, Jan Edice, Michael Fitzgerald, Mary Edice, Donna Gamache PSNH, Cordell Johnston NH Municipal, Michael Ciata BIA, Rhonda Harmych TRC Energy, Jim O'Brien Nature Conservancy, Ted Kickisk and Scott Maslansky CDFA, Cindy Gunn Lightech, Roger Stephenson CACP, Sen. Fuller-Clark

Who opposes the bill

None

Summary of testimony presented in support:

- Sen. Stiles to introduce her bill, over the last several years there has been much discussion, this bill will save taxpayer dollars and allow community to tighten up communities and save money for the citizens, others can speak more clearly to initiative,
- Q: Bradley, people have requested a cap of \$2 million, and keep grant program, A: Stiles very agreeable to that
- Mike Fitzgerald, DES, resources division, implementing agency, interest in ensuring efficiency and environment benefit, with regards to SB123 and

agree that municipalities need funding and are concerned about carve outs for this bill, concerned that this bill needs to include technical expertise opportunities for small towns in order that they be managed efficiently, if these funds are allocated, there needs to be some responsibility of municipalities to have skin in the game and leverage local funds to see that everything is done properly and finished, saving energy is important and savings can be achieved but only if done properly, PUC and DES are happy with core process efficiency and outputs, rather than having another grant program, the funding mechanism in core is good, but some provision needs to be made so that PUC can bring in municipality utilities to have access to core programs,

- Q: Woodburn, very concerned with competitive application and most of his district are communities under 1000 people, how will they be able to compete? A: continuing to work with small communities and ensure they can participate and work within the structure, helpful for statute to proscribe the process and how funds are allocated
- Q: Prescott, also concerned about small towns contributing and seeing no benefit, how can this be equalized? A: all rate payers are seeing a rebate, if decisions are made to increase funds to energy conservation, there could be some language to carve out something for small municipalities, or provision for technical assistance for these towns, some provision could be made to help towns, number of potential mechanisms
- Mike Lacada, Business and Industry Association, no position, appreciate the work of the sponsor, share the concerns of uncapped amount and want to keep it at \$2 million, and work last year keeps money going to core programs as a static amount, support that number, direct money to core is a good idea, directing it there is the best way to go forward, if a town can reduce its usage cost goes down, do not want to see return to old system, competitive grant process picks winners and losers and puts PUC in a tough situation, small towns and municipality should be able to access the funds through the core programs and towns can partner to do so, the process works because it stays with the companies and they can walk you through the program and there is direction for the municipality
- Rhonda Harmich, TRC energy services, in favor of the bill, based in Portsmouth NH, manage energy efficiency and community block grant, provides municipality 6.5 million to invest in energy efficiency, there is limited availability of funds for some groups, 200 schools benefitted from a similar program and schools spend over 200 per year per pupil on energy,

Summary of testimony presented in opposition: None

Fiscal Note: The Public Utilities Commission and Department of Environmental Services state this bill, as introduced, will increase local revenue and expenditures

by \$2,000,000 in FY 2014, \$2,000,000 in FY 2015, \$2,400,000 in FY 2016, and \$2,400,000 in FY 2017

Future Action:

Awaiting executive action

CSC

Date hearing report completed: 2.19.13

[file: SB0123 report]

Speakers

SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

Date: 2.13.13

Time: 9:45AM Public Hearing on SB 123-FN-L

SB 123-FN-L - relative to the use of proceeds from the regional greenhouse gas initiative program.

Please check box(es) that apply:

SPEAKING	FAVOR	OPPOSED	NAME (Please print)	REPRESENTING
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Stiles	SD24
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Representative JAN RAYMOND	BEKINAP COUNTY DIST. 4
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Reyo Suzanne Smith	Gratton 8
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	JAN EDICER - NOT SPEAKING	L. H. H. H. H.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Michael Fitzgerald	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MARY EDICER	L. H. H. H. H. Comm. Ctr.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Donna Gamache	PSNH & Gil Gelineau PSNH
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cardell Johnston	NH Municipal Ass'n
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MICHAEL LICATA	BIA
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Rhonda Harmych	TRC Energy
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Jim O'Brien	The Nature Conservancy
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Ted Kucknick	CDFA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott Maslansky	CDFA
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Cindy Gunn	Lightec
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Roger Stephenson	CACP
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Sen. Mason	Fuller Clark
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Testimony

To: Senator Russell Prescott, Chair, Senate Energy and Natural Resources Committee
From: Theresa Swanick, Selectwoman, Effingham (tswanick@gmail.com)
Date: February 13, 2013
Re: Testimony in support of SB123

Thank you for allowing me testify today. I'm a selectwoman for the small Town of Effingham.

The goal of SB123 is to *maximize* taxpayer savings. CORE programs "save \$6.40 for every \$1 invested in energy efficiency." (nhsaves) A question from a House STE committee hearing last month was, "then why wouldn't we put more funds into energy efficiency?" In other words: **the more invested in municipal energy efficiency, the greater the savings to taxpayers.**

TRC (for OEP) evaluated 175 ARRA proposals in 2010 for EECBG, awarding 65 municipalities. The 65 projects cost \$6.5M, leaving \$14M proposed projects from 110 other towns on deck.

\$14 million unfunded projects were ready and waiting 3 years ago!

SB123 proposes to steer only \$2 million to municipal energy projects.

There will be testimony arguing against increasing the \$2M by 20% per biennium. Yet as it is, it would take 7 years to catch up to the backlogged projects from 2010. My town's project funded one boiler in one building of many suggestions in an town wide audit covering all buildings. Thus, even the \$14M is below the true value of existing projects that could produce savings for taxpayers (and remember that figure is just from the municipalities that *applied*).

How do we maximize taxpayer savings while supporting of our local economy?

Leverage *more* RGGI funds for energy efficiency; it's a *better bargain than the rebate.*

With CORE's savings, taxpayers would benefit exponentially by having RGGI rebate portion invested in municipal energy efficiency projects. Each \$1 in saves \$6.45 = lower taxes.

Technical Assistance for unbiased application and project facilitation

Effingham received an ARRA grant to fully fund a wood pellet boiler to replace a 30 year old oil furnace on its last legs, with projected 75% savings in heating cost. The board of selectmen in 2010 **turned down the award**, realizing when it came right down to it, *no one had time or expertise* to assemble years of utility data, write the specs, or manage the project. **The *only* barrier to my town's access to energy savings was a need for technical assistance.**

Newly elected, I happened to have project management experience and got OEP to reconsider our proposal. Comprehensive technical assistance should be made available, without bias, for towns lacking staff and expertise to initiate, evaluate and manage energy efficiency projects.

The **local economy** supported by Effingham's project: a NH distributor of wood pellet boilers, four contractors and their sub contractors, NH suppliers of US plumbing/heating parts, and our local wood products industry which will source local pellets instead of oil henceforth.

Roger Stephenson
(make copies)

Testimony before the New Hampshire Senate Energy and Natural Resources Committee
February 13, 2013

Roger Stephenson, Senior Advisor to Clean Air-Cool Planet 603 770 9484

Mr. Chairman and members of the committee, thank you for this opportunity to testify in support of SB 123 and submit comments. My name is Roger Stephenson and I am representing Clean Air-Cool Planet, a non profit headquartered in Portsmouth since 2000.

Clean Air-Cool Planet supports SB 123 and applauds the broad and bi-partisan support for this bill, which dedicates certain proceeds from the regional greenhouse gas initiative (RGGI) program to municipal and local government energy efficiency projects.

I would like to describe to you energy costs to municipalities, impact on households, and types of energy efficiency projects important to local governments. I will then describe why the level of funding called for in SB 123 is appropriate, and conclude with several recommendations pertaining to how the funds might be distributed.

Energy costs to municipalities

The New Hampshire Municipal Energy Assistance Program (MEAP) was a 15 month-long project, funded by the New Hampshire Public Utilities Commission, that supported 48 municipalities to become project-ready for municipal energy efficiency projects.

Analysis of the baseline inventory data reveals that together these municipalities spent almost \$10 million annually on municipal energy costs, not including schools. The average annual energy expenditure for the municipalities was just under \$200,000. Municipal buildings made up 54% of the costs and streetlights 10%.

Impact on households

A back of the envelope calculation, using annual energy costs and the number of households for each town, indicated that the average cost per household to pay for municipal energy use is \$81.76. This does not include schools. Separate analysis of NH schools indicated that the average cost for energy per student was \$270 per year.

Therefore, a concentrated effort using RGGI funds to pay for local government energy efficiency and conservation efforts would have a positive impact on residential and business property taxpayers.

Types of projects local governments have tackled

Different towns and school districts will have different needs. Let me give two brief illustrations from Temple and from Warner.

Renovations to the Town of Temple's municipal building/fire department are expected to result in an overall reduction in heating and energy use of between 75 percent and 85 percent. As a result, Temple will save between \$5,000 and \$6,000 annually, based on 2010 fuel prices

Through aggressive insulation, and retaining the existing heating system and controls, the town of Warner could save over \$10,000 per year by completing energy efficiency measures recommended in building energy audits. Selectman Clyde Carson in said 2010 and I quote: "This audit has really opened our eyes to the amount of taxpayer money that can be saved through energy improvements," stated Clyde Carson, one of Warner's Selectmen and Energy Committee member. "There are similar opportunities in every town, which together would substantially reduce New Hampshire's reliance on imported fossil fuels," said Carson. "And with every gallon of fossil fuel we don't use, we save money, reduce harmful greenhouse gas emissions, and we strengthen our economy."

In a survey conducted at the conclusion of our MEAP, towns were asked to list municipal projects to reduce the energy footprint of municipal operations. They included:

- Municipal building energy audits
- PV System installation on a municipal building
- Streetlight reduction project
- Streetlight upgrade (LED) project
- Landfill gas-to-energy project
- Municipal building insulation and retrofit
- Pellet boiler project
- Boiler replacement
- Comprehensive building energy conservation (behavior and building retrofit)
- Indoor efficiency upgrades (occupancy sensors, thermostats, etc)
- Solar hot water project for school
- Biomass heating plant for school

Level of Funding

The level of funding initially established under SB 123 for local government energy efficiency projects, \$2 million in the first year, is appropriate, and I will use recent history as an example. The Energy Efficiency and Conservation Block Grant (EECBG) Program was funded through the American Recovery and Reinvestment Act (Recovery Act) of 2009. This program assisted NH towns to implement and manage energy efficiency and conservation projects designed to Reduce the total energy use and improve energy efficiency in the transportation, building and street lighting.

We know that 25 NH towns under MEAP applied for and received a total of \$2.9 million in EECBG funds in grant awards ranging from \$4,000 to \$300,000 for projects that met different needs.

Some comments on how the funds are distributed:

Common approach or application

The funds and program may be administered through the utility core energy efficiency program ("core"). It is important that the application criteria are open, fair and clearly spelled out and present no barriers to towns ready to apply. We encourage a common approach or application be used for all towns regardless of which utility provides their electrical supply. If the municipal project funding is available first come first served, set aside funds for less wealthy towns.

There needs to be Responsibility at the Municipal level

A whole system approach which maximizes the impact of these RGGI \$\$, and can show intended energy efficiency results using existing baseline information, is preferred. A law enacted in 2009 enables towns to establish local energy committees. An application signed by the selectmen or governing body is necessary. An application from a local energy committee, official or otherwise, would still need the signature(s) of the governing body.

Towns are at different states of readiness: Maximize the impact of the municipal energy funding

Particularly in the first year, build upon the recent work accomplished in order to maximize resources: reach out to towns that did not receive EECBG grants and others with baseline inventories available to write an informed application; reach out to schools with baseline inventories; work with OEP to utilize data developed under the ETAP program.

Don't strand significant projects with longer life spans

Address the cost effectiveness test so that larger energy efficiency projects in local governments are not stranded. We suggest amending the bill to include clarity and guidance to the PUC, such as, "The PUC shall not subject this program's approval solely to a Total Resource Cost (TRC) ratio of one (1.00) or greater, but shall instead evaluate it in the manner that the CORE educational and/or Smart Start programming is currently evaluated."

Service is important to facilitate implementation

An important element to consider is service. Past experience in various offerings (Button Up, Municipal Energy Assistance Program; Energy Smart Schools and P4P) demonstrates that hands-on expertise and technical assistance is very important to identify and complete energy efficiency projects. A modest amount of money dedicated to municipal energy projects should be made available to pay for active, assertive outreach and project assistance as part of a prospective or approved project.

Thank you for this opportunity. I would be happy to answer any questions

##

Committee Report

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Date: 3.7.13

THE COMMITTEE ON Energy and Natural Resources
to which was referred Senate Bill 123-FN-L

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

Having considered the same, the committee recommends that the Bill:

OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 4-0

AMENDMENT # 0804s

Senator Jeb E. Bradley
For the Committee

Chris Cote 271-3067

New Hampshire General Court - Bill Status System

Docket of SB123

Docket Abbreviations

Bill Title: relative to the use of proceeds from the regional greenhouse gas initiative program.**Official Docket of SB123:**

Date	Body	Description
1/3/2013	S	Introduced and Referred to Energy & Natural Resources; SJ 4
2/6/2013	S	Hearing: 2/13/13, Room 101, LOB, 9:45 a.m.; SC8
3/7/2013	S	Committee Report: Ought to Pass with Amendment #2013-0804s , 3/14/13; SC11
3/14/2013	S	Chair Ruled Non-Germane Amendment
3/14/2013	S	Without Objection Rule 3-17 is Suspended to Allow Non-Germane Amendment 0804s, 2/3 necessary, MA, VV;
3/14/2013	S	Committee Amendment 0804s, AA, VV;
3/14/2013	S	Ought to Pass with Amendment 0804s, MA, VV; Refer to Finance Rule 4-5;
3/21/2013	S	Committee Report: Ought to Pass, 3/28/13; SC13
3/28/2013	S	Ought to Pass: RC 23Y-1N, MA; OT3rdg;
4/3/2013	H	Introduced and Referred to Science, Technology and Energy; HJ35 , PG.1191
4/9/2013	H	Public Hearing: 4/17/2013 9:00 AM LOB 304 ==RECESSED==
4/17/2013	H	Continued Public Hearing: 4/24/2013 1:00 PM LOB 308 ==Or Following House Session==
5/8/2013	H	Full Committee Work Session: 5/15/2013 11:00 AM LOB 305-307
5/15/2013	H	Executive Session: 5/21/2013 1:00 PM LOB 304 ==RECESSED==
5/22/2013	H	Continued Executive Session: 5/28/2013 10:00 AM LOB 304
5/30/2013	H	Committee Report: Ought to Pass with Amendment #1860h for June 5 (Vote 15-3; RC); HC42 , PG.1433
5/30/2013	H	Proposed Committee Amendment #2013-1860h ; HC42 , PG.1452-1453
6/5/2013	H	Amendment #1860h: AA VV; HJ49 , PG.1627-1629
6/5/2013	H	Ought to Pass with Amendment #1860h: MA VV; HJ49 , PG.1627-1629
6/12/2013	S	Sen. Prescott Moved Concur with House Amendment #1860h, MA, VV
6/26/2013	H	Enrolled Bill Amendment #2188e Adopted
6/26/2013	S	Enrolled Bill Amendment #2013-2188e Adopted, VV
6/26/2013	H	Enrolled
6/26/2013	S	Enrolled
7/24/2013	S	Signed by the Governor on 07/24/13; Chapter 0269
7/24/2013	S	I. Section 1 & 2 Effective as provided in Section 3
7/24/2013	S	II. Remainder Effective 07/24/13

NH House

NH Senate

Other Referrals

June 27, 2013

2013-2188-EBA

06/03

Enrolled Bill Amendment to SB 123-FN-LOCAL

The Committee on Enrolled Bills to which was referred SB 123-FN-LOCAL

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

Having considered the same, report the same with the following amendment, and the recommendation that the bill as amended ought to pass.

FOR THE COMMITTEE

Explanation to Enrolled Bill Amendment to SB 123-FN-LOCAL

This enrolled bill amendment makes technical corrections.

Enrolled Bill Amendment to SB 123-FN-LOCAL

Amend RSA 125-O:23, III as inserted by section 1 of the bill by replacing line 19 with the following:

who fund the system benefits charge.

Amend RSA 125-O:23, III as inserted by section 2 of the bill by replacing line 20 with the following:

first-serve basis to business and municipal customers who fund the system benefits charge.

5B 123

COMMITTEE REPORT FILE INVENTORY

_____ ORIGINAL REFERRAL _____ RE-REFERRAL

1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE AIDE AND PLACED INSIDE THE FOLDER AS THE FIRST ITEM IN THE COMMITTEE FILE.
2. PLACE ALL DOCUMENTS IN THE FOLDER FOLLOWING THE INVENTORY IN THE ORDER LISTED.
3. THE DOCUMENTS WHICH HAVE AN "X" BESIDE THEM ARE CONFIRMED AS BEING IN THE FOLDER.
4. THE COMPLETED FILE IS THEN DELIVERED TO THE CALENDAR CLERK.

- DOCKET (Submit only the latest docket found in Bill Status)
- COMMITTEE REPORT
- CALENDAR NOTICE
- HEARING REPORT
- HANDOUTS FROM THE PUBLIC HEARING
- PREPARED TESTIMONY AND OTHER SUBMISSIONS
- SIGN-UP SHEET(S)

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

- AMENDMENT # 2188 EBA - AMENDMENT # 06985
- AMENDMENT # 1860N - AMENDMENT # 08045

ALL AVAILABLE VERSIONS OF THE BILL:

- AS INTRODUCED AS AMENDED BY THE HOUSE
- FINAL VERSION AS AMENDED BY THE SENATE

_____ OTHER (Anything else deemed important but not listed above, such as amended fiscal notes): _____

DATE DELIVERED TO SENATE CLERK

8.8.13

Chm Pto

BY COMMITTEE AIDE