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# Committee Report



**REGULAR CALENDAR**

**March 7, 2019**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Majority of the Committee on Science, Technology  
and Energy to which was referred HB 477-FN,**

**AN ACT relative to allowance sales under the New  
Hampshire regional greenhouse gas initiative program.**

**Having considered the same, report the same with the  
following resolution:      RESOLVED, that it is  
INEXPEDIENT TO LEGISLATE.**

**Rep. Kat McGhee**

**FOR THE MAJORITY OF THE COMMITTEE**



**MAJORITY  
COMMITTEE REPORT**

Committee:	Science, Technology and Energy
Bill Number:	HB 477-FN
Title:	relative to allowance sales under the New Hampshire regional greenhouse gas initiative program.
Date:	March 7, 2019
Consent Calendar:	REGULAR
Recommendation:	INEXPEDIENT TO LEGISLATE

**STATEMENT OF INTENT**

This bill proposed taking funding from the Regional Greenhouse Gas Initiative (RGGI) and distributing all but the defined administrative fees back to ratepayers. This would miss the point of RGGI which is to provide a funding mechanism for partner-states to make substantial investments in energy efficiency programs to help decrease and transition off of fossil fuel dependence more rapidly. Funding NH's energy efficiency programs decreases fossil fuel consumption which will result in lower energy bills. The prior practice of rebating 3 out of every 4 dollars of RGGI monies back to ratepayers eliminated over \$71 million in investment funds away from state energy efficiency programs. This bill would substantially diminish state energy efficiency funding from RGGI and simply keep the program administration in place, distributing large sums of money in tiny increments such that no energy efficiency impact is realized by our participation in RGGI. We will be unable to reap any large-scale benefit or energy cost reductions from investments over time.

Vote 11-8.

Rep. Kat McGhee  
FOR THE MAJORITY

Original: House Clerk  
Cc: Committee Bill File



## REGULAR CALENDAR

Science, Technology and Energy

**HB 477-FN**, relative to allowance sales under the New Hampshire regional greenhouse gas initiative program. **MAJORITY: INEXPEDIENT TO LEGISLATE. MINORITY: OUGHT TO PASS.**

Rep. Kat McGhee for the **Majority** of Science, Technology and Energy. This bill proposed taking funding from the Regional Greenhouse Gas Initiative (RGGI) and distributing all but the defined administrative fees back to ratepayers. This would miss the point of RGGI which is to provide a funding mechanism for partner-states to make substantial investments in energy efficiency programs to help decrease and transition off of fossil fuel dependence more rapidly. Funding NH's energy efficiency programs decreases fossil fuel consumption which will result in lower energy bills. The prior practice of rebating 3 out of every 4 dollars of RGGI monies back to ratepayers eliminated over \$71 million in investment funds away from state energy efficiency programs. This bill would substantially diminish state energy efficiency funding from RGGI and simply keep the program administration in place, distributing large sums of money in tiny increments such that no energy efficiency impact is realized by our participation in RGGI. We will be unable to reap any large-scale benefit or energy cost reductions from investments over time. **Vote 11-8.**

Original: House Clerk

Cc: Committee Bill File





## Stapler, Carol

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**From:** Backus, Bob  
**Sent:** Wednesday, February 27, 2019 10:37 AM  
**To:** Stapler, Carol  
**Subject:** Fwd: Committee Report - HB477  
**Attachments:** HB477 Report-1.docx

I've Okayed this report.

----- Forwarded message -----

**From:** "McGhee, Kat" <Kat.McGhee@leg.state.nh.us>  
**Date:** Feb 26, 2019 9:57 PM  
**Subject:** Committee Report - HB477  
**To:** "Backus, Bob" <Bob.Backus@leg.state.nh.us>  
**Cc:** "McGhee, Kat" <Kat.McGhee@leg.state.nh.us>

Hi Bob,

Here's my report on HB 477 - the bill to gut RGGI funding. I didn't grab a form from Carole before I left the LOB.

I'm assuming I'm not doing a report on HB 614 on the air and water pollution fines because we did not have the pending amendment and agreed to carry it over for a vote next week.

Thanks,  
Kat



Committee Report

Executive Session 2/26/19

Filed By Kat McGhee, Majority Opinion

Science, Technology and Energy Committee

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Motion ITL - Passed 11 yes - 8 no - 1 absent

HB477 proposed taking funding from the Regional Greenhouse Gas Initiative and distributing all but the defined administrative fees, back to the ratepayers. This would miss the point of the RGGI, which is to provide a funding mechanism for partner-states to make substantial investments into energy efficiency and renewable portfolio standard programs to help decrease and transition fossil fuel dependence more rapidly. Funding New Hampshire's energy efficiency programs decreases fossil fuel consumption which will result in lower energy bills. The prior practice of rebating 3 out of every 4 dollars of RGGI monies back to ratepayers eliminated over \$71,000,000 in investment funds away from state energy efficiency programs. This bill would ~~eliminate~~ state energy efficiency funding from RGGI and simply keep the program administration in place, to distribute large sums of money in tiny increments, so that no impact is realized by our participation in the RGGI and we are unable to reap any large scale benefit or energy cost-reduction from investments over time.

*off*

*Of Robert G. ...*

*SUBSTANTIALLY  
DIMINISH*



**REGULAR CALENDAR**

March 7, 2019

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Minority of the Committee on Science, Technology  
and Energy to which was referred HB 477-FN,**

**AN ACT relative to allowance sales under the New  
Hampshire regional greenhouse gas initiative program.**

**Having considered the same, and being unable to agree  
with the Majority, report with the recommendation that  
the bill OUGHT TO PASS.**

**Rep. Michael Harrington**

**FOR THE MINORITY OF THE COMMITTEE**



**MINORITY  
COMMITTEE REPORT**

Committee:	Science, Technology and Energy
Bill Number:	HB 477-FN
Title:	relative to allowance sales under the New Hampshire regional greenhouse gas initiative program.
Date:	March 7, 2019
Consent Calendar:	REGULAR
Recommendation:	OUGHT TO PASS

**STATEMENT OF INTENT**

This bill would rebate all RGGI funds back to the ratepayers. Under present law one dollar from every allowance sale is not rebated but is deposited in the Renewable Energy Fund administrated by the Public Utilities Commission. The minority believes that the ratepayers are better at spending their own money than unelected bureaucrats are and that any lowering of NH's very high electric rates, if only by a small amount, is a step in the right direction.

Rep. Michael Harrington  
FOR THE MINORITY

Original: House Clerk  
Cc: Committee Bill File





## REGULAR CALENDAR

Science, Technology and Energy

**HB 477-FN**, relative to allowance sales under the New Hampshire regional greenhouse gas initiative program. **OUGHT TO PASS.**

Rep. Michael Harrington for the **Minority** of Science, Technology and Energy. This bill would rebate all RGGI funds back to the ratepayers. Under present law one dollar from every allowance sale is not rebated but is deposited in the Renewable Energy Fund administrated by the Public Utilities Commission. The minority believes that the ratepayers are better at spending their own money than unelected bureaucrats are and that any lowering of NH's very high electric rates, if only by a small amount, is a step in the right direction.



~~Handwritten signature~~

Michael Harrington

Minority Report for HB 477

This bill would rebate all RGGI funds back to the ratepayers. Under present law one dollar from every allowance sale is not rebated but is deposited in the Renewable Energy Fund administrated by the PUC. The minority believes that the ratepayers are better at spending their own money than unelected bureaucrats are and that any lowering of NH's very high electric rates, if only by a small amount, is a step in the right direction

OK R. Bahm



# Voting Sheets



HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on HB 477-FN

**BILL TITLE:** relative to allowance sales under the New Hampshire regional greenhouse gas initiative program.

**DATE:** February 26, 2019

**LOB ROOM:** 304

**MOTIONS:** INEXPEDIENT TO LEGISLATE

Moved by Rep. McGhee

Seconded by Rep. Saunderson

Vote: 11-8

CONSENT CALENDAR: NO

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

Respectfully submitted,

Rep Lee Oxenham, Clerk





HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on HB 477-FN

BILL TITLE: relative to allowance sales under the New Hampshire regional greenhouse gas initiative program.

DATE: 2-26-19

LOB ROOM: 304

MOTION: (Please check one box)

OTP  ITL  Retain (1st year)  Adoption of Amendment # \_\_\_\_\_  
 Interim Study (2nd year) (if offered)

Moved by Rep. McGhee Seconded by Rep. Saunders Vote: 11-8-1

MOTION: (Please check one box)

OTP  OTP/A  ITL  Retain (1st year)  Adoption of Amendment # \_\_\_\_\_  
 Interim Study (2nd year) (if offered)

Moved by Rep. \_\_\_\_\_ Seconded by Rep. \_\_\_\_\_ Vote: \_\_\_\_\_

MOTION: (Please check one box)

OTP  OTP/A  ITL  Retain (1st year)  Adoption of Amendment # \_\_\_\_\_  
 Interim Study (2nd year) (if offered)

Moved by Rep. \_\_\_\_\_ Seconded by Rep. \_\_\_\_\_ Vote: \_\_\_\_\_

MOTION: (Please check one box)

OTP  OTP/A  ITL  Retain (1st year)  Adoption of Amendment # \_\_\_\_\_  
 Interim Study (2nd year) (if offered)

Moved by Rep. \_\_\_\_\_ Seconded by Rep. \_\_\_\_\_ Vote: \_\_\_\_\_

CONSENT CALENDAR: \_\_\_\_\_ YES  NO

Minority Report?  Yes \_\_\_\_\_ No If yes, author, Rep: \_\_\_\_\_ Motion \_\_\_\_\_

Hamings

Respectfully submitted: Lee Oxenham  
Rep Lee Oxenham, Clerk





2019 SESSION

Science, Technology and Energy

Bill #: 477 Motion: ITC AM #: \_\_\_\_\_ Exec Session Date: 2-26-19

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Backus, Robert A. Chairman	X		
Moffett, Howard M. Vice Chairman <i>SeLamburg</i>	X		
Cali-Pitts, Jacqueline A.	X		
Mann, John E.	X		
Oxenham, Lee Walker Clerk	X		
Somssich, Peter F. <i>Towne</i>	X		
Vincent, Kenneth S.			X
Balch, Chris	X		
McGhee, Kat	X		
McWilliams, Rebecca J.	X		
Saunderson, George L.	X		
Wells, Kenneth D.	X		
Harrington, Michael D.		X	
Notter, Jeanine M.		X	
Aldrich, Glen C.		X	
Thomas, Douglas W.		X	
Merner, Troy E.		X	
Ober, Russell T.		X	
Webb, James C.		X	
Plett, Fred R.		X	
<b>TOTAL VOTE:</b>			

11                      8                      1



# Hearing Minutes



HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

PUBLIC HEARING ON HB 477-FN

**BILL TITLE:** relative to allowance sales under the New Hampshire regional greenhouse gas initiative program.

**DATE:** February 6, 2019

**LOB ROOM:** 304

**Time Public Hearing Called to Order:** 1:11 pm

**Time Adjourned:** 2:05 pm

**Committee Members:** Reps. Backus, Moffett, Oxenham, Cali-Pitts, Mann, Somssich, Vincent, Balch, McGhee, McWilliams, Saunderson, Wells, Harrington, Notter, Aldrich, D. Thomas, Merner, R. Ober, Webb and Plett

**Bill Sponsors:**

Rep. Notter

Rep. Torosian

**TESTIMONY**

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

Public Hearing on HB 477

**Rep. Fred Plett introduced the bill for Rep. Jeannine Notter, prime sponsor** - He stated that this was a very straightforward bill. It simply takes away the \$1.00 in RGGI funds currently used by the state to fund energy efficiency projects. With this bill, all of the funds would go back to the ratepayers. Asserting that the current practice means that we are taking the funds out of customers pockets, Rep. Plett concluded by stating that his party has a different philosophy.

**Q:** Do you accept the science of climate change?

**A:** There are different philosophies about climate change.

**Q:** We are discussing science, not philosophy.

**A:** We disagree.

**Q:** Do people really get the money they are supposed to receive?

**A:** It's not necessarily being spent on energy efficiency measures. It could be spent on a truck, you can't quantify the amount of efficiency on a truck.

**Mike Fitzgerald, DES Director of the Air Resources Division** – No formal position from the agency; testifying for informational purposes.

Mr. Fitzgerald asked the committee if they would like to hear the RGGI presentation which he was unable to provide earlier, the day our presentations went well beyond the time allotted. Receiving a positive response, Mr. Fitzgerald explained that DES and the PUC jointly administer RGGI and the funds generated by the compliance allowances. Both of the bills before the committee today speak to how these monies are spent. There is also a related Senate Bill moving through the Legislature at this time, SB 24. SB24 was submitted at the request of DES. He pointed out that the Governor just recently reauthorized the RGGI program for an





additional 10 years and that SB 24 is supported by the Governor. The passage of that bill is extremely important to DES, as it helps to keep NH in the RGGI program, by keeping NH in compliance with RGGI's updated rules.

RGGI is currently a 9-state program. New Jersey exited the program for a few years under Gov. Christie, but it is formally coming back in at this time. When RGGI was first discussed, in the 2003-4 time frame, it was conceived as a demonstration project, to show that carbon pricing could be done on a national scale. It only covered one sector – the electricity sector – and the discussions on how 10 states could accomplish this together took 3-4 years of negotiations. The format finally chosen was a market-based, cap and trade program, modeled, to some extent, on the highly successful acid rain program. In our state, the RGGI program is in statute; elsewhere it is most often done in rules. RGGI is a carbon pricing program, and it applies to all electrical sector, greenhouse gas emitting power plants in the region. If it is a fossil fuel burning plant and it generates in excess of 25MW, it is included in the program. There are hundreds of sources in the 10 original states. The program's initiators aggregated the then current total, and set that amount as the program's cap – 179 million tons of carbon dioxide. One allowance was issued for every ton of CO<sub>2</sub>. At the outset the allowances traded at about \$2 per ton, and that price has slowly risen in the marketplace to the current price of \$4-5 per ton.

Carbon reductions take place where it can be accomplished most cheaply. Those who can reduce emissions at a lower cost, do so, and then sell their allowances to plants which face higher cost profiles. At the end of each three year period RGGI Inc., the organization which administers RGGI, "true up" the emission totals. Before 2015 the cap kept emissions at the original level; after 2015 emissions were set to decline as the cap tightened. If emissions remained the same, the value of the allowances would decline. That's Economics 101, if supply declines, the price would go up. What we have seen in practice is that total emissions have not risen, although some states have made much greater reductions than others. Each state has a budget which determines how many allowances they receive. The allowances come in blocks of 1000, and NH receives 5% of the total. Power plant operators bid for the allowances and 5% of the money received is returned to NH. We split those revenues in keeping with our internal load profile, with 40% for residential customers and 60% for commercial and industrial. In 2012, legislation was proposed to pull NH out of RGGI, but the General Court recognized that we are better off staying in. Not only do we generate funds for energy efficiency, but the costs of the RGGI program are embedded in regional wholesale prices. If we were to leave, we would still be paying for the program's costs, but we would be unable to receive any of its revenues. Rather than leaving the program, the Legislature decided to retain only a portion of the monies generated, the first \$1 out of every allowance, with the remainder rebated directly to the consumer. Out of the \$1 remaining, we fund our energy efficiency programs, as well as our targeted low income efficiency programs. At the 2012 selling price, retaining \$1 kept 50% of the funds generated available to support energy efficiency, however at current prices we are only able to access 20-25% of the funds for this purpose, depending upon the allowance sale price.

**Q:** NJ is trying to get back in?

**A:** Compliance works on a 3 year period. Gov. Christie pulled out at the end a period, when it was relatively easy to true up the revenues, and NJ exited on an



orderly basis. The remaining states continued to reduce their emissions, but NJ did not, so now it is necessary to work out how to reintegrate NJ into the program on an equitable basis. They probably lost about \$15 million in revenue while they were out of RGGI.

**Q:** How much will NJ's return to RGGI cost NH?

**A:** Nothing. They will be issued new allowances, and they will sell them going forward. It could possibly reduce our share of the total number of allowances. But we pay on the basis of the power we consume.

**Q:** What is the cost of RGGI to the average ratepayer?

**A:** Using the 2015 Eversource pie chart, the cost to a typical ratepayer would be about \$.19/month. That is 1/5 of 1 per cent of the total bill. For 2017 we have to use a PUC chart, as Eversource has sold off its generating capacity, so we don't have their numbers anymore. The merchant generators' price is embedded in the wholesale price, but it probably has not changed much.

**Karen Cramton, PUC, Renewable Energy Director (no pink card) –**

Interjection from the audience. If we look at the recent Report on Electric Restructuring we can see that the cost is about \$.20 cents per month on a typical residential bill.

**Q:** Isn't it the case that NH has fallen behind the other RGGI states in terms of carbon emissions, because we have chosen to rebate so large a proportion of our funds, rather than invest them in the energy efficiency measures that would have reduced our share of the regional load?

**A:** When transmission projects are added to the region, as long as they are for reliability purposes, the costs are apportioned to each state on the basis of their proportion of the total load. The percentage of load used to calculate NH's share is increasing, as the other states have made much substantial reductions, while our use continues to climb. We were at 8.25-8.5% of the total, but now that has increased, and is projected to increase further in the future - and that forecast is largely based on how states invest in energy efficiency. **It looks like NH will move up to paying roughly 9.4 – 9.5% in the near future, and every 1/10 of a percent increase raises our payment by a substantial amount.** Other states have invested far more and their load is declining; NH invests less per capita than any other RGGI state. We can't say it's all due to RGGI, the System Benefits Charge (SBC) also puts money into energy efficiency. But it plays a very large role in those numbers.

**Q:** Can you tell us more about the load issue? Other states increased their energy efficiency investments and lowered their load – is there a direct correlation?

**A:** ISO forecasts the load expected, after energy efficiency programs are applied. It isn't 1:1, but it's a large factor. This year NH's share of RGGI funds will be \$14 million, but only \$3 million will go to energy efficiency. The biggest benefit comes from what large factories do, it's a matter of economies of scale. Projects have to show a positive cost-benefit to tap the funds. Generally we find for every 1 dollar spent we get a \$3-5 benefit. You pay for the costs up front – that's the 19 cents per month, but the benefits keep on coming in terms of lower rates over time.

Mr. Fitzgerald showed a chart outlining RGGI's benefits, with the benefits



increasing over time and then tailing off. The chart had been created when the program was expected to terminate in 2020, but now it has been reauthorized, so a revised chart would show the benefits continuing to increase through 2030. Mr. Fitzgerald said the best part of RGGI is the “hidden benefit,” you don’t need to build new power plants – and you can curtail the use of dirty peaker plants. It’s just like using LED bulbs, which require 10 times less energy to operate. That saves everybody money. And we haven’t even discussed the health benefits from burning fewer fossil fuels.

**Greg Moore, Americans for Prosperity** – Supports. Here in NH businesses face high electric costs. Some of those you can’t change, but some you can. Our residential rate is 55% more than the national average; it’s 95% more for (C & I.) That is a burden on consumers and businesses. The lion’s share of the funds are not going back to ratepayers. We need to find ways to get more rate relief.

**Q: Chairman Robert Backus** - In fact, aren’t we just in the middle of the pack for this region? And we happen to be in the highest cost region, for a variety of reasons having nothing to do with RGGI.

**A:** There are structural reasons that are driving up electricity prices in this region, yes.

**Q:** And rates are not bills. Nobody pays rates, we pay electricity bills. If we want to lower those bills shouldn’t we be investing in increasing the efficiency with which we use energy? We know that can reduce bills.

**Madeleine Mineau, Director, Clean Energy NH** – Opposes. It is very clear that energy efficiency is the cleanest and cheapest form of energy. What we don’t use, doesn’t cost us. Reducing costs, reduces bills. The current NH 10 Year Energy Strategy supports utilizing more energy efficiency. Prioritizing savings is this administration’s energy strategy. It allows customers to control their costs, and thereby, their bills. Investing in energy efficiency means a reinvestment in our local economy, rather than sending our energy dollars out of state. And it’s only spent on cost effective measures, that pass a cost-benefit analysis. It helps reduce peak demand, and that helps all ratepayers. No RGGI money goes into any solar or other renewable energy project – it can only be used for energy efficiency. Here in NH we have a long wait list, of approximately 10,000 homes that have been identified as eligible for funds for projects like weatherization. The need is great, and it would save everyone money to have these homes retain, rather than waste, the fuel they use. Energy efficiency is needed, and wanted. We need more of it, and these RGGI funds could provide it.

**Q:** Is it a lack of funding? Or do we lack the workforce?

**A:** You can’t completely separate them. A longterm commitment to additional funding would mean more people would train for the jobs, more companies would get into the field. But clearly the waitlist testifies to the lack of funds. The EERS provides a real benefit in this regard as it provides a three year planning horizon.

**Q:** Are low income households especially impacted by the dearth of funds.

**A:** Certainly. They have fewer options overall, and generally live in older housing stock which lacks sufficient insulation. In some cases low income families are



spending close to 50% of their limited incomes on fuel to heat their homes.

Blue Sheet: Pro, 21 ; Con, 4

Respectfully Submitted:

A handwritten signature in blue ink, appearing to read "Lee Oxenham". The signature is written in a cursive style with a large initial "L" and "O".

Lee Oxenham, Clerk









# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 477-FN Date 2-6-19  
 Committee STE

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
Roger Stephenson	Grafton	770-9484	Univ of Concord Sci		<input checked="" type="checkbox"/>
REP. JOHN POTUCKER	ROCKY-DERRY			<input checked="" type="checkbox"/>	
Rep Dick Hinch			House Republican Office	X	
Marc Brown	Concord	603-369-4301	NJRA	X	
Patricia Martin	Rindge	899-2894	self		X
Stephanie Scheer	Fitzmillian		EC Rep - Action		✓
Sue Darling	Hillbush		EC Rep - Action		✓
Rep. Judith Spang					✓
Catherine Corkery	NH Sierra Club				X
Carol P. Yas	NH Audubon				X
Rep Suzanne Smith	Grafton				X
Rep Liz McCom	Brentwood				✓
SUSAN COVERT	CONTOOCOOK, NH		self		✓
Anne Emerson	Conferbury				✓
J.J. Smith			NH Public Health Assn		X
Rep Glenn Corbelli			Carroll	✓	
Pub Number LN					X
Deborah Jakubowski			self		✓
Dennis Jakubowski					✓
JOE KWASNIK	Concord		SELF		✓
Maura Willing	Concord		self		✓
Melissa Hinebaugh	Concord		self		X
David Hill	Essex		self		X
Griffin Sinclair-Winget	Dover	603-488-2224	350NH		X
Melissa Birchard	27 N Main St Concord	225-3060	CLP	4	X 21





# Bill as Introduced



HB 477-FN - AS INTRODUCED

2019 SESSION

19-0218  
08/06

HOUSE BILL

**477-FN**

AN ACT           relative to allowance sales under the New Hampshire regional greenhouse gas initiative program.

SPONSORS:       Rep. Notter, Hills. 21; Rep. Torosian, Rock. 14

COMMITTEE:      Science, Technology and Energy

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ANALYSIS

This bill distributes all proceeds from allowance sales under the New Hampshire regional greenhouse gas initiative program to ratepayers minus administrative costs.

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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 Nineteen*

AN ACT                   relative to allowance sales under the New Hampshire regional greenhouse gas initiative program.

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

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

3           II. All amounts in excess of the threshold price, *minus administrative costs*, of [~~\$1~~] \$0 for  
4 any allowance sale shall be rebated to all retail electric ratepayers in the state on a per-kilowatt-  
5 hour basis, in a timely manner to be determined by the commission.

6           2 Effective Date. This act shall take effect upon its passage.



HB 477-FN- FISCAL NOTE  
AS INTRODUCED

AN ACT relative to allowance sales under the New Hampshire regional greenhouse gas initiative program.

FISCAL IMPACT:  State  County  Local  None

STATE:	Estimated Increase / (Decrease)			
	FY 2020	FY 2021	FY 2022	FY 2023
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	(\$29,000)	(\$29,000)	(\$29,000)	(\$29,000)
<i>Funding Source:</i>	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input checked="" type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Energy Efficiency Fund and Multiple Others (See Methodology)			

COUNTY:

Revenue	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
Expenditures	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease

LOCAL:

Revenue	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)
Expenditures	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease

METHODOLOGY:

This bill changes the \$1 per allowance rebate threshold for auction proceeds deposited into the Energy Efficiency Fund to \$0. The change in this bill would result in all residential and commercial and industrial rate payers receiving full rebates. Therefore, this bill will impact governmental expenditures by reducing electricity costs for state, county, and local governments consuming electricity. Under this bill county and local government electricity expenditures will decrease by an indeterminable amount. However, State electricity expenditures are estimated to decrease by \$29,000. Additionally, this bill would eliminate an estimated \$2.7 million in funding for the following core energy efficiency programs in FY 2020 and each year thereafter: Municipal Energy Efficiency Program (estimated \$2,000,000 per year); Home Energy Assistance Program (estimated \$500,000 per year); and All-Fuels Program (estimated \$200,000 per year). While local revenue would directly decrease by an estimated \$2 million each year, some of the indirect benefits to county governments will have an impact on revenue by an indeterminable amount.

In determining how much the core energy efficiency programs would decrease by, the Public Utilities Commission and Department of Environmental Services assumes in FY 2020 the average allowance price will be \$4.75 and net auction revenue would total approximately \$13.65 million. Further, the Public Utilities Commission and Department of Environmental Services estimates the State's total electricity costs will decrease by \$29,000 based on the increased customer rebates under this bill and State energy consumption data from FY 2017. The decrease in state electricity costs will impact all funds used to purchase electricity.

**AGENCIES CONTACTED:**

Public Utilities Commission and Department of Environmental Services