

Committee Report

REGULAR CALENDAR

October 29, 2020

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Science, Technology and Energy to
which was referred HB 1402,**

**AN ACT establishing procedures for municipal host
customer-generators of electrical energy. Having
considered the same, report the same:**

RECOMMENDED FOR FUTURE LEGISLATION.

Rep. Kat McGhee

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Science, Technology and Energy
Bill Number:	HB 1402
Title:	establishing procedures for municipal host customer-generators of electrical energy.
Date:	October 29, 2020
Consent Calendar:	REGULAR
Recommendation:	RECOMMENDED FOR FUTURE LEGISLATION

STATEMENT OF INTENT

This bill concerning municipal net metering has merit, with changes, and the committee believes it should be reintroduced in an amended form.

Vote 15-0.

Rep. Kat McGhee
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Science, Technology and Energy

HB 1402, establishing procedures for municipal host customer-generators of electrical energy.**RECOMMENDED FOR FUTURE LEGISLATION .**

Rep. Kat McGhee for Science, Technology and Energy. This bill concerning municipal net metering has merit, with changes, and the committee believes it should be reintroduced in an amended form.

Vote 15-0.

Original: House Clerk

Cc: Committee Bill File

To: Bob Backus, Heather Gooley

October 26, 2020

Re: McGhee House Record write ups for Interim Bills HB 1402 and HB1429 Recommendations

HB1402 This interim study bill for Municipal Net Metering has merit with changes and the Science, Technology & Energy Committee believe it should be amended and moved forward. **Recommend**

HB1429 This bill for a commission to study the economic and emissions effects of premature closing of Seabrook is considered non-essential in the upcoming year and the Science, Technology and Energy committee does **Not Recommend**.

Voting Sheets

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on HB 1402

BILL TITLE: establishing procedures for municipal host customer-generators of electrical energy.

DATE: September 3, 2020

LOB ROOM: Remote Meeting

MOTION:

Interim Study (2nd yr) Recommended for Future Legislation

Moved by Rep. McGhee

Seconded by Rep. Somssich

Vote: 15-0

Respectfully submitted,

Rep Lee Oxenham, Clerk

HOUSE COMMITTEE ON STE
EXECUTIVE SESSION on HB 1402

HB 1402-
BILL TITLE: Establishing Procedures for Municipal Host Customer-
Generators of Electrical Energy
DATE: 09/03/2020
LOB ROOM: Remote

MOTION: Recommended for Future Legislation
 Not Recommended for Future Legislation

Moved by Rep. McGhee Seconded by Rep. Somssich Vote: 15-0-5

Respectfully submitted,
Rep. [Signature]
Committee Clerk



STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

8/28/2020 10:48:31 AM
Roll Call Committee Registers
Report

2020 SESSION

Science, Technology and Energy

Bill #: HB1402 Motion: Recommend for Future Legislation AM #: _____ Exec Session Date: 09/03/2020

Members	YEAS	Nays	NV
Backus, Robert A. Chairman	X		
Moffett, Howard M. Vice Chairman	X		
Cali-Pitts, Jacqueline A.	X		
Mann, John E.	X		
Oxenham, Lee Walker Clerk	X		
Somssich, Peter F.	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
Vose, Michael			X
Aldrich, Glen C.			X
Thomas, Douglas W.	X		
Merner, Troy E.	X		
Ober, Russell T.	X		
Plett, Fred R.	X		
TOTAL VOTE:	15	0	5

McGhee/Somssich

Sub-Committee Actions

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION on HB 1402

BILL TITLE: establishing procedures for municipal host customer-generators of electrical energy.

DATE: September 3, 2020

Subcommittee Members: Reps. Backus, Moffett, Oxenham, Cali-Pitts, Mann, Somssich, Balch, McGhee, Saunderson, Wells, Harrington, D. Thomas, Merner, R. Ober and Plett

Comments and Recommendations: General discussion and agreement.

MOTION:

Interim Study (2nd yr) Recommended for Future Legislation

Moved by Rep. McGhee

Seconded by Rep. Somssich

Vote: 15-0

Respectfully submitted,

Rep. Lee Oxenham
Subcommittee Clerk

SUBCOMMITTEE WORK SESSION on HB1402

BILL TITLE: HB1402 - Establishing Procedures for Municipal Host Customer-Generators of Electrical Energy

DATE: 09/03/2020

Subcommittee Members:

Comments and Recommendations:

General Discussion and Agreement.

MOTION: [X] Recommended for Future Legislation [] Not Recommended for Future Legislation

Moved by Rep. McGhee Seconded by Rep. Samssich Vote: 15-0-5

Respectfully submitted,

Rep. [Signature] Subcommittee Chairman/Clerk

Committee Report

REGULAR CALENDAR

February 12, 2020

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on Science, Technology and Energy to which was referred HB 1402,

AN ACT establishing procedures for municipal host customer-generators of electrical energy. Having considered the same, report the same with the recommendation that the bill be REFERRED FOR INTERIM STUDY.

Rep. Kat McGhee

FOR THE MAJORITY OF THE COMMITTEE

**MAJORITY
COMMITTEE REPORT**

Committee:	Science, Technology and Energy
Bill Number:	HB 1402
Title:	establishing procedures for municipal host customer-generators of electrical energy.
Date:	February 12, 2020
Consent Calendar:	REGULAR
Recommendation:	REFER FOR INTERIM STUDY

STATEMENT OF INTENT

This bill would permit municipalities to engage in net metering above the present 1 MW cap. Passage of it would be redundant as its contents are now contained in HB 1218, and therefore it is unnecessary.

Vote 12-8.

Rep. Kat McGhee
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Science, Technology and Energy

HB 1402, establishing procedures for municipal host customer-generators of electrical energy.
MAJORITY: REFER FOR INTERIM STUDY. MINORITY: OUGHT TO PASS WITH AMENDMENT.

Rep. Kat McGhee for the **Majority** of Science, Technology and Energy. This bill would permit municipalities to engage in net metering above the present 1 MW cap. Passage of it would be redundant as its contents are now contained in HB 1218, and therefore it is unnecessary. **Vote 12-8.**

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

February 12, 2020

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on Science, Technology and Energy to which was referred HB 1402,

AN ACT establishing procedures for municipal host customer-generators of electrical energy. Having considered the same, and being unable to agree with the Majority, report with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Michael Harrington

FOR THE MINORITY OF THE COMMITTEE

**MINORITY
COMMITTEE REPORT**

Committee:	Science, Technology and Energy
Bill Number:	HB 1402
Title:	establishing procedures for municipal host customer-generators of electrical energy.
Date:	February 12, 2020
Consent Calendar:	REGULAR
Recommendation:	OUGHT TO PASS WITH AMENDMENT 2020-0593h

STATEMENT OF INTENT

This bill represents a compromise from the existing 1 MW cap on net metering and other proposals to lift that cap to less than 5 MWs. The compromise was developed by various representatives working with people from the Governor's office. While lifting the cap to anything under 5 MWs, it limits the use of this higher cap to municipal hosts which means qualifying generation that is owned by or only provides electricity to a municipality. Although there may be potential cost shifting, limiting the use to municipal hosts whose total annual output is less than its total annual consumption will limit this. This bill is supported by the NH Municipal Association.

Rep. Michael Harrington
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Science, Technology and Energy

HB 1402, establishing procedures for municipal host customer-generators of electrical energy.
OUGHT TO PASS WITH AMENDMENT.

Rep. Michael Harrington for the **Minority** of Science, Technology and Energy. This bill represents a compromise from the existing 1 MW cap on net metering and other proposals to lift that cap to less than 5 MWs. The compromise was developed by various representatives working with people from the Governor's office. While lifting the cap to anything under 5 MWs, it limits the use of this higher cap to municipal hosts which means qualifying generation that is owned by or only provides electricity to a municipality. Although there may be potential cost shifting, limiting the use to municipal hosts whose total annual output is less than its total annual consumption will limit this. This bill is supported by the NH Municipal Association.

Original: House Clerk
Cc: Committee Bill File

Amendment to HB 1402

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

2

3 1 Eligible Customer Generator; Exception Added for Municipal Hosts. Amend RSA 362-A:1 a,
4 II-b through II-d to read as follows:

5 II-b. "Eligible customer-generator" or "customer-generator" means an electric utility
6 customer who owns, operates, or purchases power from an electrical generating facility either
7 powered by renewable energy or which employs a heat led combined heat and power system, with a
8 total peak generating capacity of up to and including one megawatt, *except as provided for a*
9 *municipal host*, that is located behind a retail meter on the customer's premises, is interconnected
10 and operates in parallel with the electric grid, and is used to offset the customer's own electricity
11 requirements. Incremental generation added to an existing generation facility, that does not itself
12 qualify for net metering, shall qualify if such incremental generation meets the qualifications of this
13 paragraph and is metered separately from the nonqualifying facility.

14 II-c. *"Municipal host" means a customer-generator with a total peak generating*
15 *capacity of greater than one megawatt used to offset the electricity requirements of a group*
16 *consisting of one or more customers who are political subdivisions, provided that all*
17 *customers are located within the same utility franchise service territory. A municipal host*
18 *shall be located in the same municipality as all group members if the facility began*
19 *operation after January 1, 2020. A municipal host may be owned by either a public or*
20 *private entity. For this definition, "political subdivision" means any city, town, county,*
21 *school district, chartered public school, village district, school administrative unit, or any*
22 *district or entity created for a special purpose administered or funded by any of the above*
23 *named governmental units.*

24 II-d. "Eligible fuel" means natural gas, propane, wood pellets, hydrogen, or heating oil when
25 combusted with a burner, including air emission standards for the device using the approved fuel.

26 [H-d] II-e. "Heat led" means that the combined heat and power system is operated in a
27 manner to satisfy the heat usage needs of the customer-generator.

28 2 Effective Date. This act shall take effect 60 days after its passage.

Amendment to HB 1402
- Page 2 -

2020-0593h

AMENDED ANALYSIS

This bill establishes an exemption under net energy metering for group net metered facilities that generate electricity to offset electrical requirements of a group consisting of political subdivisions

HB1402

THIS BILL WOULD PERMIT MUNICIPALITIES TO ENGAGE IN NET METERING ABOVE THE PRESENT 1 MW CAP.
~~FOR PROJECTS TO INCREASE MUNICIPAL NET METERING FROM 1 MW ABOVE 1 MW~~

Establishes procedures for municipal host customer generators of electric energy.

Send to interim study. The objectives Vote 12-8-0 of this bill are captured in HB1218 and make this vehicle

unnecessary. REDUNDANT. AND THEREFORE UNNECESSARY.

Kat McShee - for majority

OK P. Bask

OTP

Rep. Harrington for the Minority This bill represents a compromise from the existing 1 MW cap on Net Metering and the proposals to lift that cap to less than 5 MW's. The compromise was developed by various Representatives working with people from the Governor's office. While lifting the cap to ~~less than~~ ^{ANYTHING UNDER} 5 MW's it limits the use of this higher cap to Municipal Hosts which means qualifying generation that is owned by or only provides electricity to a municipality. Although there ^{PARTIAL} will be ^{POTENTIAL FOR} some cost shifting, limiting the use to Municipal Hosts whose total annual out is less than its total annual consumption will limit this. This bill is supported by the NH Municipal Association ,

Voting Sheets

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on HB 1402

BILL TITLE: establishing procedures for municipal host customer-generators of electrical energy.

DATE: February 12, 2020

LOB ROOM: 304

MOTIONS: REFER FOR INTERIM STUDY

Moved by Rep. McGhee

Seconded by Rep. Somssich

Vote: 12-8

CONSENT CALENDAR: NO

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Kenneth Wells, Acting Clerk



2020 SESSION

Science, Technology and Energy

Bill #: HB 1402 Motion: Interim Study AM #: _____ Exec Session Date: 2/12/2020

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Backus, Robert A. Chairman	12		
Moffett, Howard M. Vice Chairman	1		
Cali-Pitts, Jacqueline A.	2		
Mann, John E.	3		
Oxenham, Lee Walker Clerk <i>WAZIR</i>	4		
Somssich, Peter F.	5		
Vincent, Kenneth S.	6		
Balch, Chris	7		
McGhee, Kat	8		
McWilliams, Rebecca J. <i>QUERY</i>	9		
Saunderson, George L.	10		
Wells, Kenneth D.	11		
Harrington, Michael D.		1	
Notter, Jeanine M.		2	
Vose, Michael		3	
Aldrich, Glen C. <i>LANG</i>		4	
Thomas, Douglas W.		5	
Merner, Troy E.		6	
Ober, Russell T.		7	
Plett, Fred R.		8	
TOTAL VOTE:	12	8	0

Hearing Minutes

A – It wouldn't apply.

2 – Jeff Moulton - Town of Derry. Chair of the Net Zero Task Force

The goal is to save money. We use 3.7 million kWh a year in our own buildings. We have 3 schools. This bill would enable us to cover the load for all our town buildings and our schools. We tried to execute a project at the landfill last year, but we ran up against the 1 MW limit.

Using a monthly basis this could mean \$3 million in savings over the 20-year life of the project. Municipalities cannot use the federal tax break to help finance their projects, we cannot even take depreciation. We need this.

3 – Karen Cramton – PUC, Sustainable Energy Division

Ms. Cramton went into detail explaining the value of calculating billing on a monthly basis. If the facility's total peak generating capacity is 100 kW or less, they can net on a monthly basis. Over time it does make a difference in the amounts owed. All the meters used are revenue grade meters that register two ways, they record how much was generated and what was exported and the net usage.

If you have excess energy exported to the grid and you are under 100 kW, you are credited at the rate of 100% for energy and transmission, and 25% for distribution. If you are using instantaneous netting it could be very different. It could be as much as the difference between basing your charges on 8 cents versus 18 cents.

Q - Can you provide us some real numbers as to the difference if the compensation is at the utilities' avoided cost or at the default service rate?

A – The utilities' avoided costs are on the PUC website.

Q – Can you give us some guidance here on how the billing works?

A – The difficulty is that group net metering rates operates on an annual basis, but you are billed monthly. The host has to file an annual report that shows their total generation was less than or equal to the total load of all the members for the year. If they generated any excess, they are required to reimburse the utility. Put another way, if they produce more than they consume - they will have to reimburse the utilities for that. So, the town's load also has to be greater than its generation. To use group net metering, if you are a municipality - you are the group host, and you must comply with that requirement.

Q - For solar pv, the avoided cost is \$03.943 /kWh, that's roughly half the default service rate. This bill talks about the utilities avoided cost. Is that intended to be calculated for each utility and might that be a different number?

A – I can't answer that. I think we use that. I'd be more comfortable leaving that to the experts.

Q – Does the PUC still determine a specific avoided cost for each utility?

A – I believe they do. I'll try to get you accurate figures.

Q – Is anyone at the PUC evaluating this? Are they looking at the implications for the non-solar ratepayers?

A – We don't specifically review that. But there are 2 studies and several pilots underway. They should provide us with answers in time for the next rate case.

Q – To get back to the issue of political subdivisions of the state within one town's limits, I think it would be useful to have that definition in the bill. You may even want to change the definition so that the municipal host is a carve-out. That could help you out.

4 - Chris Ellms and Matt Mailloux – OSI

The towns are looking to control their utility bills. They are also looking to put town areas to useful life – like their landfills. If they have the ability to go over 1 MW they could do more.

HB 1402 would exempt municipal systems from the 1 MW net metering cap, allowing them to go above and beyond 1 MW. As has been said, it would include schools, libraries, police stations, and more. The facilities would have to be located in the same town's territory. The exemption would work identically as it does for group net metering.

You could build 4.83 MW and net meter 100% of your load. The crediting mechanism is the same as under group net metering.

Q – You say its compensation is done the same way. Look at the bottom of p.1. If you produced 500 MWh, but only used 400, you would have a surplus of 100 MWh. But when you have to make your true-up payment, you don't get the net metered rate – you only get the default rate. This means you are compensated for the first 400 at one rate, and the last 100 gets compensated at a different rate.

A - The host has to send a check to the utility for the 100 hours that was adjusted in the end of year true-up.

5 - Madeleine Mineau – Clean Energy NH, Executive Director.

Our organization is taking no position on the bill at this time.

We believe all large producers should be treated the same, whether they are businesses or towns. I am not sure this bill would allow the towns to do this without a definitional change for what constitutes a customer-generator.

Then there's the requirement that all the members be located in the territory of the town. We foresee some difficulty with that.

Q – Would you support the bill if it allowed businesses in?

A – We support allowing businesses to do this, we have a concern with limiting it just to a town.

6 - Cordell Johnson – Municipal Association. Supports.

You should pass both of these bills. I agree with Karen and Madeleine, there does seem to be a gap. You will need a definition change re customer-generators. There are also problems with the way some of this is written – the municipal host is being exempted. The political subdivisions part uses awkward language. In Plainfield, for example, there are different franchises for different town buildings. That should be addressed.

7 - Heidi Kroll – Granite State Hydropower Association and Monadnock Power.

Ideally, we'd like to see legislation that includes businesses as well as municipalities. This bill would expand group net metering beyond 1 MW. There does seem to be a problem with applying the credit at the default service rate, and then, if there is a delta, calculating that at avoided cost.

Monadnock has 3 hydros which are considered as a single aggregate. We would ask that you relax the restrictions on hosts that require they all be in the same franchise. This bill says all must be within a single town, but that is not a restriction at present.

This adds a constraint that limits possible customers. A neighboring town may want to group net meter with you, but according to this, they are out of luck. The problem is the town may not have sufficient load on its own to meet all the production coming out of its local hydro. This constraint is not necessary and it could be crippling.

Q – Isn't Monadnock Power a private business? How does that work?

A – We understand from the sponsor that the generator could be privately or publicly owned.

Q – I thought it had to be a municipal facility? Am I interpreting this wrong?

A – That is worth clarifying. There's nothing here that limits who owns the generator – only who it sells to.

Q – That's very confusing. The definition of a municipal group host makes it sound like the municipality is the host.

A – I agree that it's confusing. Check with the sponsor.

***8 – Jason Stock – Executive Director, NH Timberlands Association.**

We are supplying testimony on all 4 of these bills in one document

We have concerns about some of these constraints that could be very limiting. We have members with sister companies, they may have a warehouse in the town next door. LaValley has solar in Middleton, but retail outlets in many towns, and a manufacturing plant in Newport. Steve French has hydro in one town, a lumber yard in another town and he wants to deal with his own operations together. That should be possible. At least allow these businesses to sell to themselves.

Respectfully submitted,

Rep Lee Oxenham

HB 1402

Public Hearing

1 - Rep. Lang - prime sponsor.

The intent of this bill is to allow a given municipality to be able to aggregate its electricity usage. We currently have 9 different meters for our town. With this bill we could put a single meter on the transfer station and allow the solar array to account for all the load.

Q – I have a question re page 2, line 1

A – I'll leave that to the experts sitting behind me.

Q – What could be included?

A - We have a school in our town, we could contract with it as a political subdivision of the town. We could also contract with a county building, a library, or the county jail. Just as long as they are located in the town.

Q – I think you are looking at the annual average output. At what intervals would you true it up. Annually?

A – That's my understanding, yes - annually.

Q – It says any political subdivisions within the territory of the town. So. it could include a state agency, or a county facility?

A – There's another RSA that talks about the political subdivisions of the state. If they are run by the city and authorized by the town they are included. Also other facilities - if they are located in the town. This avoids a lot of poles and wires, and transmission issues.

Q – Why not work at the county level? Why the town?

A – I believe in taking baby steps. If this works with no problems, we could expand it later.

Q – I believe the point is that group net metering allows the aggregating of different meters. And this bill gets around the current 1 MW limit for group net metering.

A – It wouldn't apply.

2 – Jeff Moulton - Town of Derry. Chair of the Net Zero Task Force

The goal is to save money. We use 3.7 million kWh a year in our own buildings. We have 3 schools. This bill would enable us to cover the load for all our town buildings and our schools. We tried to execute a project at the landfill last year, but we ran up against the 1 MW limit.

Using a monthly basis this could mean \$3 million in savings over the 20-year life of the project. Municipalities cannot use the federal tax break to help finance their projects, we cannot even take depreciation. We need this.

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7 - Heidi Kroll – Granite State Hydropower Association and Monadnock Power.

Ideally, we'd like to see legislation that includes businesses as well as municipalities. This bill would expand group net metering beyond 1 MW. There does seem to be a problem with

applying the credit at the default service rate, and then, if there is a delta, calculating that at avoided cost.

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This adds a constraint that limits possible customers. A neighboring town may want to group net meter with you, but according to this, they are out of luck. The problem is the town may not have sufficient load on its own to meet all the production coming out of its local hydro. This constraint is not necessary and it could be crippling.

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Testimony

**Town of Derry – 2020
Renewable Energy Legislation Needs
Jeff Moulton, PE**

- Objectives: 1) **Save taxpayers money** and 2) **reduce our carbon footprint**
- Town of Derry Electricity Usage
 - Municipal: 3.70 M kwh/yr
 - Schools: 2.75M kwh/yr
 - Total: 6.45 M kwh/yr => equivalent to a 4 Mw AC solar deployment
 - All town and school meters are with the same utility (Eversource)
 - 2.1 M kwh/yr (33%) of Town’s energy consumption is from our water and sewage plant
- Business Case for Derry’s Proposed 1 Mw Landfill Solar Project

	Billing Reconciliation Hourly	Billing Reconciliation Monthly
Savings Years 1-5	-\$110k	+\$332k
Purchase Price at Year 6	\$2.137M	\$2.137M
Payback from Purchase	15.3 years	6.5 years
Total Savings	\$0.66M	\$3.3M

- Current Legislative Limitations
 - Cap of 1 Mw (individual or group metered)
 - Net metering measurements done on an hourly basis or less (cumbersome administratively, difficult to measure with normal meters)
 - Town cannot take advantage of Federal tax credit or depreciation – must use a PPA arrangement with a 3rd party
 - 1st 5 years of Operation – cost of electricity from PPA vendor would be higher than our current 3rd party supplier
 - Years 6 – 25 – Option to Buy
 - Excess Electricity produced compensated to Town at Supply Rate
- Legislative Needs to Enable Derry and NH to Lower Electricity Costs for Residents (Municipal Solution)
 - **NEED: 4-5 Mw Cap or higher for individual or group deployments**
 - **NEED: Net Metering measurements reconciled on a yearly basis (similar to other NE states) – reduce admin burden & give towns a better business case for projects**
 - NICE TO HAVE: Introduce off-peak rates
- Other Benefits to NH
 - Source of New Electrical Supplies for future; currently no new sources in planning – prices will go up otherwise
 - Large Solar Deployments throughout the state make the grid more reliable – the more supply points, the less affect the failure of one source has on the grid
 - Most states have off-peak rates, while NH does not. So instead of encouraging consumers to utilize energy during off-peak hours and therefore smoothing out the demand, the state experiences high demand peaks exceeding the supply capacity. High demand is usually during day light hours which solar can help offset.

January 22, 2020

The Honorable Robert Backus
Chairman House Science, Technology, and Energy Committee
Legislative Office Building, Room 304

Testimony on HB1218, HB1481, HB1402, and HB1262

Chairman Backus and members of the committee,

Clean Energy NH (CENH) is a non-profit member-based organization. We are New Hampshire's leading clean energy advocate that is dedicated to supporting policies and programs that strengthen our state's economy by encouraging a transition to renewable energy and promoting energy efficiency.

CENH strongly supports HB1218 which would increase the capacity of renewable energy systems eligible to participate in net metering from 1 Megawatt (MW) up to 5MW.

CENH opposes HB1481, supports HB1262, and is requesting some changes for your consideration to HB1402.

In 2017, SB125 established a committee to study transmission, distribution, generation, and other costs in the state's electricity system. The final report recommendations "are intended to offer the New Hampshire General Court the opportunity to mitigate and lower the cost of electricity in the state." One of the committee's recommendations to achieve this is to increase the capacity of projects eligible to participate in net metering from 1MW to 5MW. CENH has supported increasing the capacity of projects eligible to participate in net metering in 2018 (SB446) and 2019 (HB365, SB159). This continues to be a priority issue for our members, including both local governments and New Hampshire businesses, and so we now support HB1218.

CENH supports HB1218, which would treat large energy users like municipalities, schools, and businesses equally and allow them to invest in renewable energy projects that are properly-sized for their needs, and as a result, control their energy costs. Distributed energy resources such as net metered renewable generation also reduce peak demand and reduce the need for expensive transmission projects or upgrades. This is especially important for New Hampshire, which is the only New England state forecasted to experience peak load growth, and thus increase its share of regional transmission costs, capacity costs, and other costs that are borne by all states in New England.

We support an amendment for HB1218 proposed by Brookfield Renewables which would clarify that the capacity of certain existing small hydropower generators that may share equipment or

facilities for the purpose of interconnection would not be considered in aggregate to qualify for net metering under HB1218.

Investment in local renewable energy development, like the 1 to 5MW projects that would be made possible by this bill, keep our energy dollars in state, create good jobs, and support local businesses.

The energy industry and rate experts at the NH Public Utilities Commission (PUC) found in their order that set the most recent net metering tariffs “that there is little to no evidence of any significant cost-shifting” imposed by net metering. Large (>100kW) net metered projects are credited only at the energy portion of the bill. They are not credited any transmission, distribution, or other charges. Net metered projects are not selling their electricity to the utility. They must either be supplying their own electricity use or acting as a group net metering host, which would involve a contract with group members with electricity use that matches the host’s generation.

CENH opposes HB1481, though this bill aims to allow larger energy users to right-size renewable energy projects, it does so in a manner that would make almost all projects unworkable and uneconomical. First, HB1481 does not allow any customer-generator over 1MW in capacity to participate in any form of group net metering. This limits generator and customer choice, is overly restrictive, and treats different classes of net metered projects unfairly. HB1481 also would change the credit for exported net metered power to a “calculated avoided cost” until the credit is further reviewed by the PUC. This is calculated annually and for 2019 this was between 3.9 and 4.3 cents per kWh, compared to the current default energy service credit which currently ranges between 7.7 and 10.3 cents per kWh. This proposed reduction would severely undervalue exports of distributed generation. Utility ratemaking has been typically done by the PUC and we recommend that net metering credit determination continue to be evaluated and set by the PUC.

HB1402 would allow for the participation in group net metering with group hosts over 1MW capacity for local governments only. CENH supports an expansion of net metering that would treat larger energy users equally, be they municipalities or businesses. However, if it is the will of the legislature to allow expanded group net metering to benefit only local governments, CENH requests that some changes to HB1402 be considered. First, it should be carefully considered if the definition of “eligible customer generator” in RSA 362-A:1-a, II-b should be modified to make it clear that “municipal hosts” with generating capacity over 1MW would qualify as eligible customer generators. Second, we find the requirement that all group members must be “located within a single municipality” is overly restrictive, arbitrary, and unjustified. This would prevent counties, joint school administrative units, or towns from investing in a

“municipal host” project to serve facilities located in more than one town and severely limit the potential customer pool for municipal hosts.

CENH supports HB1262 which aims to enable direct sales from renewable generators less than 5MW to retail customers. We also support this bill because it could facilitate transactions between local renewable generators and community power programs as well as allowing customers to realize transmission savings due to local power procurement. CENH supports creating new market opportunities for renewable generators and creating more customers choices to procure locally generated renewable power. CENH sees HB1262 as a complement to expanded net metering but not a replacement for allowing facilities over 1MW to participate in net metering. Unlike group net metering, the transactions enabled by HB1262 will require sophisticated energy customers that can procure complementary energy supply.

Among our business and municipal members and the communities we work with, there are many well-sited projects and significant investments on hold, cancelled, or downsized because of the current capacity limit on net metering. We urge you to find a workable approach to expand access to net metering for larger energy users to control costs by encouraging investment in and access to locally produced renewable energy.

Sincerely,



Madeleine Mineau
Executive Director
Clean Energy NH
madeleine@cleanenergynh.org
607-592-6184



January 22, 2020

Rep. Robert Backus, Chairman
N.H. House Science, Technology and Energy Committee
Room 304, Legislative Office Building
Concord, NH 03301

RE: House Bill 1218, *AN ACT relative to net energy metering and limits for customer generator.*
House Bill 1481, *AN ACT relative to the net metering cap for customer-generators*
House Bill 1402, *AN ACT establishing procedures for municipal host customer-generators of electrical energy*
House Bill 1225, *AN ACT allowing increased net energy metering limits for municipal hydroelectric facilities*

Dear Chairman Backus and members of the Committee:

The New Hampshire Timberland Owners Association (NHTOA) thanks you for the opportunity to speak in support of House Bill 1218. Founded in 1911, the NHTOA represents forest landowners and the forest products industry in New Hampshire. This sector of New Hampshire's economy represents one of the largest manufacturing sectors in the state.

In general, the NHTOA supports expanding renewable energy production and in particular net metering. This is especially important to our wood processing members (i.e., sawmills). New Hampshire's sawmill industry comprises of approximately 50 commercial mills scattered across the state. According to a 2016 economic analysis conducted by Plymouth State University (attached), New Hampshire's sawmill industry directly employs 778 individuals and supports an additional 1,815 jobs. In terms of economic output, these sawmills directly generate \$213.5 million in annual economic output and support another \$234.1 in indirect and induced economic output.

As large electricity consumers operating in a competitive international marketplace, sawmills are sensitive to electricity pricing. For this reason, sawmills believe net metering is an opportunity to manage their electricity consumption and costs. Some of these mills have biomass boilers to generate heat and electricity to run their dry kilns. And, with an abundance of roof space and adjacent land, some of these mills are also looking at installing solar arrays. Some are also considering participating in group net metering.

54 PORTSMOUTH ST., CONCORD, NH 03301
603-224-9699 · FAX 603-225-5898 · WWW.NHTOA.ORG

Growing Leadership for New Hampshire's Forests

Unfortunately, most of New Hampshire's commercial sawmills consume more than 1 MW of electricity. And because the most practical way to self-generate power and integrate with the distribution grid is through net metering, the current 1 MW cap is stifling their ability to fully invest in a renewable power system to satisfy their full electrical demand.

Passage of House Bill 1218 will remove a governmental barrier. A barrier that is currently stifling creativity and prohibiting our sawmill member's ability to pursue a path to energy self-sufficiency.

For the sake of efficiency and out of respect for the committee's time I also want to take this opportunity to comment on three of the other net metering bills you seeking testimony on today, House Bill 1481, House Bill 1402, and House Bill 1225.

Although the NHTOA appreciates the sponsor's attempts to expand net metering opportunities in New Hampshire, unfortunately all three of these bills either do not resolve the regulatory barrier mentioned above for private businesses (i.e. only benefit municipal or governmental entities), they contain impractical restrictions (i.e. House Bill 1402's municipal boundary limitations), or they further complicate our member's ability to participate in net metering. For these reasons the NHTOA can't support these bills as drafted.

This is why the NHTOA is asking you to support House Bill 1218, and we welcome the opportunity to work with committee members and the bill sponsors of House Bills 1481, 1402, and 1225 to simplify them and expand net metering opportunities for New Hampshire's private businesses.

Again, thank you for allowing me to testify on these important pieces of legislation.

Sincerely,



Jason A. Stock
Executive Director

Attach

CC: N.H. House of Representatives Science, Technology, and Energy Committee

*For Use With
Net Metering Bills*

TITLE XXXIV PUBLIC UTILITIES

CHAPTER 362-A LIMITED ELECTRICAL ENERGY PRODUCERS ACT

Section 362-A:9

362-A:9 Net Energy Metering. –

I. Standard tariffs providing for net energy metering shall be made available to eligible customer-generators by each electric distribution utility in conformance with net metering rules adopted and orders issued by the commission. Each net energy metering tariff shall be identical, with respect to rates, rate structure, and charges, to the tariff under which a customer-generator would otherwise take default generation supply service from the distribution utility. Such tariffs shall be available on a first-come, first-served basis within each electric utility service area under the jurisdiction of the commission until such time as the total rated generating capacity owned or operated by eligible customer-generators totals a number equal to 100 megawatts, with 50 megawatts of the 100 megawatts allocated to the 4 electric distribution utilities that were subject to the commission's jurisdiction in 2010 multiplied by each such utility's percentage share of the total 2010 annual coincident peak energy demand distributed by those 4 utilities, and 50 megawatts of the 100 megawatts allocated to the state's 3 investor-owned electric distribution utilities, multiplied by each such utility's percentage share of the total 2010 annual coincident peak energy demand distributed by those 3 utilities, all to be determined by the commission and to be utilized by eligible customer-generators located within each such utilities' service territory. Eighty percent of each utility's share of the 50 megawatts shall be apportioned to facilities with a total generating capacity of not more than 100 kilowatts and 20 percent to facilities with a total generating capacity in excess of 100 kilowatts, but no greater than one megawatt. The 50 megawatts of capacity shall be made available to eligible customer-generators until such time as commission approved alternative net metering tariffs approved by the commission become available. No more than 4 megawatts of such total rated generating capacity shall be from a combined heat and power system as defined in RSA 362-A:1-a, I-d.

[Paragraph I-a repealed by 2016, 33:3 effective as provided by 2016, 33:4.]

I-a. No person, owner, developer, installer of an eligible customer-generator facility, business organization, or any subsidiary thereof, shall reserve capacity space in the net metering interconnection queue of more than 20 percent of the total net metering utility-specific allocation pursuant to this section, and the creation of multiple business organizations, including a person, as defined in RSA 366:1, I, by the same shall not defeat this requirement. On a weekly basis each utility shall make public on its website its total net metering allocation, its reserved net metering capacity, and its installed and operating net metering capacity. For project applications of greater than 100 kilowatts, each utility net metering interconnection queue application shall include a certification of compliance with the 20 percent requirement, all persons involved in such an application shall sign the certification of compliance, and no application shall be processed where one or more persons involved in the application did not sign the certification of compliance.

II. Competitive electricity suppliers registered under RSA 374-F:7 may determine the terms, conditions, and prices under which they agree to provide generation supply to and purchase net generation output from eligible customer-generators.

III. Metering shall be done in accordance with normal metering practices. A single net meter that shows the customer's net energy usage by measuring both the inflow and outflow of electricity internally shall be the extent of metering that is required at facilities with a total peak generating capacity of not more than 100 kilowatts. A bi-directional metering system that records the total amount of electricity that flows in each direction from the customer premises, either instantaneously or over intervals of an hour or less, shall be required at facilities with

a total peak generating capacity of more than 100 kilowatts. Customer-generators shall not be required to pay for the installation of net meters, but shall pay for the installation of all bi-directional metering systems as outlined in utility interconnection tariffs or rules.

IV. (a) For facilities with a total peak generating capacity of not more than 100 kilowatts, when billing a customer-generator under a net energy metering tariff that is not time-based, the utility shall apply the customer's net energy usage when calculating all charges that are based on kilowatt hour usage. Customer net energy usage shall equal the kilowatt hours supplied to the customer over the electric distribution system minus the kilowatt hours generated by the customer-generator and fed into the electric distribution system over a billing period.

(b) For facilities with a total peak generating capacity of more than 100 kilowatts, the customer-generator shall pay all applicable charges on all kilowatt hours supplied to the customer over the electric distribution system, less a credit on default service charges equal to the metered energy generated by the customer-generator and fed into the electric distribution system over a billing period.

V. When a customer-generator's net energy usage is negative (more electricity is fed into the distribution system than is received) over a billing period, such surplus shall either:

(a) Be credited to the customer-generator's account on an equivalent basis for use in subsequent billing cycles as a credit against the customer's net energy usage or bill in a manner consistent with either subparagraph IV(a) or IV(b), as applicable; or

(b) Except as provided in paragraph VI, the customer-generator may elect to be paid or credited by the electric distribution utility for its excess generation at rates that are equal to the utility's avoided costs for energy and capacity to provide default service as determined by the commission consistent with the requirements of the Public Utilities Regulatory Policy Act of 1978 (PURPA). The commission shall determine reasonable conditions for such an election, including the frequency of payment and how often a customer-generator may choose this option versus the option in subparagraph (a).

VI. Instead of the option in subparagraph V(b), an electric distribution utility providing default service to customer-generators may voluntarily elect, annually, on a generic basis, by notification to the commission, to purchase or credit such excess generation from customer-generators at a rate that is equal to the generation supply component of the applicable default service rate, provided that payment is issued at least as often as whenever the value of such credit, in excess of amounts owed by the customer-generator, is greater than \$50.

VII. A distribution utility may perform an annual calculation to determine the net effect this section had on its default service and distribution revenues and expenses in the prior calendar year. The method of performing the calculation and applying the results, as well as a reconciliation mechanism to collect or credit any such net effects with appropriate carrying charges and credits applied, shall be determined by the commission.

VIII. Notwithstanding other provisions of this section, the commission may establish, on a utility-specific or generic basis, a methodology by which customer-generators may be provided service under time-based, net energy metering tariffs. The methodology shall specify how a customer's energy usage and generation shall be metered, how net energy usage shall be calculated and any applicable charges applied, and how excess generation shall be credited, consistent with size limits and the terms and conditions and intent of this section and other requirements of state and federal law.

IX. Renewable energy credits shall remain the property of the customer-generator until such credits are sold or transferred. If an electric distribution utility acquires renewable energy credits from a customer-generator in conjunction with purchasing excess generation, it may apply such generation and credits to its renewable energy source default service option under RSA 374-F:3, V(f).

X. The commission shall adopt rules, pursuant to RSA 541-A, to:

(a) Establish reasonable interconnection requirements for safety, reliability, and power quality as it determines the public interest requires. Such rules shall not exceed applicable test standards of the American National Standards Institute (ANSI) or Underwriters Laboratory (UL); and

(b) Implement the provisions of this section.

XI. The commission may by order, after notice and hearing:

(a) Waive any of the limitations set forth in this chapter for targeted net energy metering arrangements that are part of a utility strategy to minimize distribution or other costs; and

(b) Implement any utility-specific provisions authorized under this section.

XII. Once the commission has established standards for equipment used by eligible customer-generators, electric distribution utilities shall not require any additional standards or testing for transmission equipment as a condition of net energy metering.

XIII. Customer-generators shall be responsible for all costs associated with interconnection with the distribution system.

XIV. (a) A customer-generator may elect to become a group host for the purpose of reducing or otherwise controlling the energy costs of a group of customers who are not customer-generators. The group of customers shall be located within the service territory of the same electric distribution utility as the host. The host shall provide a list of the group members to the commission and the electric distribution utility and shall certify that all members of the group have executed an agreement with the host regarding the utilization of kilowatt hours produced by the eligible facility and that the total historic annual load of the group members together with the host exceeds the projected annual output of the host's facility. The commission shall verify that these group requirements have been met and shall register the group host. The commission shall establish the process for registering hosts, including periodic re-registration, and the process by which changes in membership are allowed and administered. Net metering tariffs under this section shall not be made available to a customer-generator group host until such host is registered by the commission.

(b) Except as provided in subparagraph (c), the provisions of this section shall apply to a group host as a customer-generator.

(c) Notwithstanding paragraph V, a group host shall be paid for its surplus generation at the end of each billing cycle at rates consistent with the credit the group host receives relative to its own net metering under either subparagraph IV(a) or (b) or alternative tariffs that may be applicable pursuant to paragraph XVI. Alternatively, a group host may elect to receive credits on the customer electric bill for each member and the host, with the utility being allowed the most cost-effective method of doing so according to an amount or percentage specified for each member on PUC form 909.09 (Application to Register or Re-register as a Host), along with a 3 cent per kwh addition from July 1, 2019 through July 1, 2021 and a 2.5 cent per kwh addition thereafter for low-moderate income community solar projects, as defined in RSA 362-F:2, X-a. On or before July 1, 2022, the commission shall report on the costs and benefits of such an addition and the development of the market for low-moderate income community solar projects, and provide a recommendation on whether the addition shall be increased or decreased. The commission shall report on the costs and benefits of low-moderate income community solar projects, as defined in RSA 362-F:2, X-a on or before June 1, 2020. The commission shall authorize at least 2 new low-moderate income community solar projects, as defined in RSA 362-F:2, X-a, each year in each utility's service territory beginning January 1, 2020. On an annual basis, for all group host systems except for residential systems with an interconnected capacity under 15 kilowatts, the electric distribution utility shall calculate a payment adjustment if the host's surplus generation for which it was paid is greater than the group's total electricity usage during the same time period. The adjustment shall be such that the resulting compensation to the host for the amount that exceeded the group's total usage shall be at the utility's avoided cost or its default service rate in accordance with subparagraph V(b) or paragraph VI or alternative tariffs that may be applicable pursuant to paragraph XVI. The utility shall pay or bill the host accordingly.

(d) [Repealed.]

(e) The commission is authorized to assess fines against, revoke the registration of, and prohibit from doing business in the state, any group host which violates the requirements of this paragraph and rules adopted pursuant to this paragraph.

XV. Standard tariffs that are available to eligible customer-generators under this section shall terminate on December 31, 2040 and such customer-generators shall transition to tariffs that are in effect at that time.

XVI. No later than 3 weeks after the effective date of this paragraph, the commission shall initiate a proceeding to develop new alternative net metering tariffs, which may include other regulatory mechanisms and tariffs for customer-generators, and determine whether and to what extent such tariffs should be limited in their availability within each electric distribution utility's service territory. In developing such alternative tariffs and any limitations in their availability, the commission shall consider: the costs and benefits of customer-generator facilities; an avoidance of unjust and unreasonable cost shifting; rate effects on all customers; alternative rate structures, including time based tariffs pursuant to paragraph VIII; whether there should be a limitation on the amount of generating capacity eligible for such tariffs; the size of facilities eligible to receive net metering tariffs; timely recovery of lost revenue by the utility using an automatic rate adjustment mechanism; and electric distribution utilities' administrative processes required to implement such tariffs and related regulatory mechanisms. The commission may waive or modify specific size limits and terms and conditions of service for net metering specified in paragraphs I, III, IV, V, and VI that it finds to be just and reasonable in the adoption of alternative tariffs for customer-generators. The commission may approve time and/or size limited pilots of

alternative tariffs.

XVII. The commission shall issue an order initially approving or adopting such alternative tariffs, which may be subject to change or adjustment from time to time, within 10 months of the effective date of this paragraph.

XVIII. If any utility reaches any cap for net metering under paragraph I before alternative tariffs are approved or adopted pursuant to paragraph XVII, eligible customer-generators may continue to interconnect under temporary net metering tariffs under the same terms and conditions as net metering under the 100 megawatt cap, except that such customer-generators shall transition to alternative tariffs once they are approved or adopted for their utility pursuant to paragraph XVII.

XIX. No person, owner, developer, or installer of an eligible customer-generator facility, business organization, or any subsidiary thereof, shall use any unfair method of competition or any unfair or deceptive act or practice in any way for projects involving net metering.

Source. 1998, 261:10. 2000, 148:1, 2. 2007, 174:2-4, eff. Aug. 17, 2007. 2010, 143:3, eff. Aug. 13, 2010. 2011, 168:3, eff. July 1, 2011. 2012, 59:1, eff. July 13, 2012. 2013, 266:2, eff. July 24, 2013. 2016, 31:3-5; 33:1, 2, eff. May 2, 2016; 33:3 eff. as provided by 2016, 33:4. 2017, 226:7, 8, eff. July 11, 2017. 2018, 112:1, eff. July 24, 2018; 212:2, eff. Aug. 7, 2018; 212:3, eff. July 24, 2018 at 12:01 a.m. 2019, 271:2, eff. July 1, 2019.

362-A:1-a Definitions. –

In this chapter:

II-b. "Eligible customer-generator" or "customer-generator" means an electric utility customer who owns, operates, or purchases power from an electrical generating facility either powered by renewable energy or which employs a heat led combined heat and power system, with a total peak generating capacity of up to and including one megawatt, that is located behind a retail meter on the customer's premises, is interconnected and operates in parallel with the electric grid, and is used to offset the customer's own electricity requirements. Incremental generation added to an existing generation facility, that does not itself qualify for net metering, shall qualify if such incremental generation meets the qualifications of this paragraph and is metered separately from the nonqualifying facility.

Amendments

Amendment to HB 1402

1 Amend the bill by replacing section 1 with the following and renumbering the original sections 2 and
2 3 to read as 4 and 5:

3

4 1 Eligible Customer Generator; Exception Added for Municipal Hosts. Amend RSA 362-A:1-a,
5 II-b to read as follows:

6 III-b. "Eligible customer-generator" or "customer-generator" means an electric utility
7 customer who owns, operates, or purchases power from an electrical generating facility either
8 powered by renewable energy or which employs a heat led combined heat and power system, with a
9 total peak generating capacity of up to and including one megawatt, *except as provided for a*
10 *municipal host*, that is located behind a retail meter on the customer's premises, is interconnected
11 and operates in parallel with the electric grid, and is used to offset the customer's own electricity
12 requirements. Incremental generation added to an existing generation facility, that does not itself
13 qualify for net metering, shall qualify if such incremental generation meets the qualifications of this
14 paragraph and is metered separately from the nonqualifying facility.

15 2 Limited Electrical Energy Producers; Definition; Municipal Host. Amend RSA 362-A:1-a, III-a
16 to read as follows:

17 III-a. *"Municipal host" means a customer generator with a total peak generating*
18 *capacity of greater than one megawatt used to offset the electricity requirements of a group*
19 *consisting of one or more customers who are political subdivisions, provided that all*
20 *customers are located within the same utility franchise service territory. A municipal host*
21 *shall be located in the same municipality as all group members if the facility began*
22 *operation after January 1, 2020. A municipal host may be owned by either a public or*
23 *private entity.*

24 III-b. "Net energy metering" means measuring the difference between the electricity
25 supplied over the electric distribution system and the electricity generated by an eligible customer-
26 generator which is fed back into the electric distribution system over a billing period.

27 3 New Paragraph; Definition; Political Subdivision. Amend RSA 362-A:1-a by inserting after
28 paragraph IV the following new paragraph:

29 IV-a. "Political subdivision" means any city, town, county, school district, chartered public
30 school, village district, school administrative unit, or any district or entity created for a special
31 purpose administered or funded by any of the above-named governmental units.

2020-0233h

AMENDED ANALYSIS

This bill establishes an exemption under net energy metering for group net metered facilities that generate electricity to offset electrical requirements of a group consisting of political subdivisions.

UNAPPROVED

Bill as
Introduced

HB 1402 - AS INTRODUCED

2020 SESSION

20-2153
10/06

HOUSE BILL **1402**

AN ACT establishing procedures for municipal host customer-generators of electrical energy.

SPONSORS: Rep. Lang, Belk. 4; Rep. Panasiti, Hills. 22; Rep. Pearl, Merr. 26; Rep. Plumer, Belk. 6

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill establishes an exemption under net energy metering for group net metered facilities that are owned or operated by a municipality to offset municipal electricity requirements.

.....

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

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty

AN ACT establishing procedures for municipal host customer-generators of electrical energy.

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

1 1 New Paragraph; Limited Electrical Energy Producers; Definition; Municipal Host. Amend
2 RSA 362-A:1-a by inserting after paragraph X the following new paragraph:

3 XI. "Municipal Host" means a customer generator with a total peak generating capacity of
4 greater than one megawatt, that is located behind a retail meter on the customer's premises, is
5 interconnected and operates in parallel with the electric grid, and is used to offset the electricity
6 requirements of one or more customers who are political subdivisions of the state located within a
7 single municipality, provided that all customers are located within the same utility franchise service
8 territory.

9 2 New Section; Municipal Host Exemption. Amend RSA 362-A by inserting after section 9 the
10 following new section:

11 362-A:10 Municipal Host Exemption Established.

12 I. A customer-generator may elect to become a municipal host for the purpose of reducing or
13 otherwise controlling the energy costs of a group of customers so long as those entities are a political
14 subdivision of the state. The group of customers shall be located both within the same municipality
15 and service territory of the same electric distribution utility as the municipal host. The municipal
16 host shall provide a list of the group members to the commission and the electric distribution utility
17 and shall certify that all members of the group have executed an agreement with the municipal host
18 regarding the utilization of kilowatt hours produced by the eligible facility and that the total historic
19 annual load of the group members together with the host exceeds the projected annual output of the
20 host's facility. The commission shall verify that these group requirements have been met and shall
21 register the municipal host. The commission shall establish the process for registering municipal
22 hosts, including periodic re-registration, and the process by which changes in membership are
23 allowed and administered. Net metering tariffs under this chapter shall not be made available to a
24 customer-generator municipal host until such host is registered by the commission.

25 II. Except as provided in paragraph III, the provisions of this section shall apply to a
26 municipal host as a customer-generator.

27 III. On an annual basis, for all municipal host systems, the electric distribution utility shall
28 calculate a payment adjustment if the municipal host's surplus generation for which it was paid is
29 greater than the group's total electricity usage during the same time period. The adjustment shall
30 be such that the resulting compensation to the host for the amount that exceeded the group's total

HB 1402 - AS INTRODUCED

- Page 2 -

1 usage shall be at the utility's avoided cost or its default service rate in accordance with RSA 362-A:9,
2 V(b) or RSA 362-A:9, VI or alternative tariffs that may be applicable pursuant to RSA 362-A:9, XVI.
3 The utility shall pay or bill the host accordingly.

4 IV. The commission is authorized to assess fines against and revoke the registration of any
5 municipal host which violates the requirements of this section and rules adopted by the commission.

6 3 Effective Date. This act shall take effect 60 days after its passage.