LEGISLATIVE COMMITTEE MINUTES



Bill as Introduced

SB 78-FN - AS INTRODUCED

2021 SESSION

21-0868 10/06

SENATE BILL 78-FN

AN ACT relative to continually appropriating the renewable energy fund to the public utilities commission.

SPONSORS: Sen. Bradley, Dist 3

COMMITTEE: Energy and Natural Resources

ANALYSIS

This bill provides that moneys in the renewable energy fund shall be continually appropriated to the public utilities commission for the programs and expenditures funded from the fund.

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removed from current law appears [in brackets and struckthrough.]Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

SB 78-FN - AS INTRODUCED

21-0868 10/06

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to continually appropriating the renewable energy fund to the public utilities commission.

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

1 1 Renewable Energy Fund; Continual Appropriation. Amend RSA 362-F:10, I to read as follows: 2 There is hereby established a renewable energy fund. This special fund shall be I. 3 [nonlapsing] continually appropriated to the commission to be expended in accordance with this section. The state treasurer shall invest the moneys deposited therein as provided by law. 4 5 Income received on investments made by the state treasurer shall also be credited to the fund. All 6 payments to be made under this section shall be deposited in the fund. Any remaining moneys paid 7 into the fund under paragraph II of this section, excluding class II moneys, shall be used by the 8 commission to support thermal and electrical renewable energy initiatives. Class II moneys shall 9 primarily be used to support solar energy technologies in New Hampshire. All initiatives supported 10 out of these funds shall be subject to audit by the commission as deemed necessary. All fund moneys including those from class II may be used to administer this chapter, but all new employee positions 11 12shall be approved by the fiscal committee of the general court. No new employees shall be hired by 13 the commission due to the inclusion of useful thermal energy in class I production. 14 2 Effective Date. This act shall take effect July 1, 2021.

LBA 21-0868 1/20/21

SB 78-FN- FISCAL NOTE AS INTRODUCED

AN ACT relative to continually appropriating the renewable energy fund to the public utilities commission.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill, as introduced, as it is awaiting information from the Public Utilities Commission. When completed, the fiscal note will be forwarded to the Senate Clerk's Office.

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AGENCIES CONTACTED:

Public Utilities Commission

02/04/2021 0135s

2021 SESSION

21-0868 10/06

SENATE BILL **78-FN**

AN ACT relative to continually appropriating the renewable energy fund to the public utilities commission.

SPONSORS: Sen. Bradley, Dist 3

COMMITTEE: Energy and Natural Resources

ANALYSIS

This bill provides that moneys in the renewable energy fund shall be continually appropriated to the public utilities commission for the programs and expenditures funded from the fund.

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Explanation:

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

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to continually appropriating the renewable energy fund to the public utilities commission.

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

1 1 Renewable Energy Fund; Continual Appropriation. Amend RSA 362-F:10, I to read as follows: I. There is hereby established a renewable energy fund. This nonlapsing special fund shall 2 3 be [nonlapsing] continually appropriated to the commission to be expended in accordance 4 with this section. The state treasurer shall invest the moneys deposited therein as provided by 5 law. Income received on investments made by the state treasurer shall also be credited to the fund. All payments to be made under this section shall be deposited in the fund. Any remaining moneys 6 paid into the fund under paragraph II of this section, excluding class II moneys, shall be used by the 7 8 commission to support thermal and electrical renewable energy initiatives. Class II moneys shall 9 primarily be used to support solar energy technologies in New Hampshire. All initiatives supported 10 out of these funds shall be subject to audit by the commission as deemed necessary. All fund moneys 11 including those from class II may be used to administer this chapter, but all new employee positions 12shall be approved by the fiscal committee of the general court. No new employees shall be hired by 13 the commission due to the inclusion of useful thermal energy in class I production. 142 Effective Date. This act shall take effect July 1, 2021.

LBA 21-0868 1/20/21

SB 78-FN- FISCAL NOTE AS INTRODUCED

AN ACT relative to continually appropriating the renewable energy fund to the public utilities commission.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill, as introduced, as it is awaiting information from the Public Utilities Commission. When completed, the fiscal note will be forwarded to the Senate Clerk's Office.

AGENCIES CONTACTED:

Public Utilities Commission

SB 78-FN - AS AMENDED BY THE HOUSE

02/04/2021 0135s 3Jun2021... 1562h

2021 SESSION

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21-0868 10/06

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SENATE BILL **78-FN**

AN ACT relative to continually appropriating the renewable energy fund to the public utilities commission, and relative to clarifying certain electric renewable energy classification.

SPONSORS: Sen. Bradley, Dist 3

COMMITTEE: Energy and Natural Resources

AMENDED ANALYSIS

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This bill provides that moneys in the renewable energy fund shall be continually appropriated to the public utilities commission for the programs and expenditures funded from the fund. The bill also clarifies the renewable energy class for hydrogen derived from water.

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.

SB 78-FN - AS AMENDED BY THE HOUSE

02/04/2021 0135s 3Jun2021... 1562h

21-0868 10/06

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT

relative to continually appropriating the renewable energy fund to the public utilities commission, and relative to clarifying certain electric renewable energy classification.

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

1 Renewable Energy Fund; Continual Appropriation. Amend RSA 362-F:10, I to read as follows: 1 $\mathbf{2}$ I. There is hereby established a renewable energy fund. This *nonlapsing* special fund shall 3 be [nonlapsing] continually appropriated to the commission to be expended in accordance 4 with this section; provided however if there is no adopted state operating budget, then during the period in which there is no adopted state operating budget, the fiscal committee 5 6 of the general court may upon request of the commission approve expenditures from the 7 renewable energy fund. The state treasurer shall invest the moneys deposited therein as provided 8 by law. Income received on investments made by the state treasurer shall also be credited to the 9 fund. All payments to be made under this section shall be deposited in the fund. Any remaining 10 moneys paid into the fund under paragraph II of this section, excluding class II moneys, shall be used by the commission to support thermal and electrical renewable energy initiatives. Class Π 11 12moneys shall primarily be used to support solar energy technologies in New Hampshire. All 13initiatives supported out of these funds shall be subject to audit by the commission as deemed 14 necessary. All fund moneys including those from class II may be used to administer this chapter, 15 but all new employee positions shall be approved by the fiscal committee of the general court. No 16 new employees shall be hired by the commission due to the inclusion of useful thermal energy in 17 class I production.

18 2 Electric Renewable Portfolio Standards; Electric Renewable Energy Classes; Class I. Amend
 19 RSA 362-F:4, I (c) to read as follows:

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(c) Hydrogen derived from biomass fuels, *water*, or methane gas.

21 3 Effective Date. This act shall take effect July 1, 2021.

LBA 21-0868 1/20/21

SB 78-FN- FISCAL NOTE AS INTRODUCED

AN ACT relative to continually appropriating the renewable energy fund to the public utilities commission.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill, as introduced, as it is awaiting information from the Public Utilities Commission. When completed, the fiscal note will be forwarded to the Senate Clerk's Office.

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AGENCIES CONTACTED:

Public Utilities Commission

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Amendments

Energy and Natural Resources January 27, 2021 2021-0135s 10/05

Amendment to SB 78-FN

1 Amend the bill by replacing section 1 with the following:

 $\mathbf{2}$

1 Renewable Energy Fund; Continual Appropriation. Amend RSA 362-F:10, I to read as follows: 3 I. There is hereby established a renewable energy fund. This *nonlapsing* special fund shall 4 be [nonlapsing] continually appropriated to the commission to be expended in accordance 5 6 with this section. The state treasurer shall invest the moneys deposited therein as provided by law. Income received on investments made by the state treasurer shall also be credited to the fund. $\mathbf{7}$ 8 All payments to be made under this section shall be deposited in the fund. Any remaining moneys 9 paid into the fund under paragraph II of this section, excluding class II moneys, shall be used by the commission to support thermal and electrical renewable energy initiatives. Class II moneys shall 10 primarily be used to support solar energy technologies in New Hampshire. All initiatives supported 11 out of these funds shall be subject to audit by the commission as deemed necessary. All fund moneys 12including those from class II may be used to administer this chapter, but all new employee positions 13 shall be approved by the fiscal committee of the general court. No new employees shall be hired by 14 the commission due to the inclusion of useful thermal energy in class I production. 15

Committee Minutes

SENATE CALENDAR NOTICE Energy and Natural Resources

Sen Kevin Avard, Chair Sen Bob Giuda, Vice Chair Sen James Gray, Member Sen David Watters, Member Sen Rebecca Perkins Kwoka, Member

Date: January 20, 2021

HEARINGS

	Tuesday	01/26/20	01/26/2021		
	(Day)	(Date)		
Energy ar	nd Natural Resources	REMOTE 000	1:00 p.m.		
(Name of Committee)		(Place)	(Time)		
1:00 p.m.	SB 78-FN	relative to continually appropriating the rene- the public utilities commission.	wable energy fund to		
1:15 p.m.	SB 71	establishing a commission to develop science-based emissions reduction goals for the state of New Hampshire.			
1:45 p.m.	SB 51	relative to the sale of lobster meat.			

Committee members will receive secure Zoom invitations via email.

Members of the public may attend using the following links:

1. Link to Zoom Webinar: https://www.zoom.us/j/94035190849

2. To listen via telephone: Dial(for higher quality, dial a number based on your current location):

1-301-715-8592, or 1-312-626-6799 or 1-929-205-6099, or 1-253-215-8782, or 1-346-248-7799, or 1-669-900-6833

3. Or iPhone one-tap: US: +19292056099,,94035190849# or +13017158592,,94035190849#

4. Webinar ID: 940 3519 0849

5. To view/listen to this hearing on YouTube, use this link:

https://www.youtube.com/channel/UCjBZdtrjRnQdmg-2MPMiWrA

6. To sign in to speak, register your position on a bill and/or submit testimony, use this link:

http://gencourt.state.nh.us/remotecommittee/senate.aspx

The following email will be monitored throughout the meeting by someone who can assist with and alert the committee to any technical issues: <u>remotesenate@leg.state.nh.us</u> or call (603-271-6931).

EXECUTIVE SESSION MAY FOLLOW

<u>Sponsors</u> :	
SB 78-FN	
Sen. Bradley	
SB 71	
Sen. Sherman	Sen. Br
Sen. Soucy	Sen. W
Sen. Cavanaugh	Rep. M
Rep. Knirk	
SB 51	
Sen. Ricciardi	Rep. L

Sen. Bradley Sen. Watters Rep. McGhee

Rep. Lang

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Sen. Reagan Sen. Whitley Rep. Oxenham

Sen. Rosenwald Sen. Perkins Kwoka Rep. Woods

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Griffin Roberge 271-3042

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<u>Kevin A. Avard</u> Chairman

Senate Energy and Natural Resources Committee Griffin Roberge 271-3042

SB 78-FN, relative to continually appropriating the renewable energy fund to the public utilities commission.

Hearing Date: January 26, 2021.

Time Opened: 1:05 p.m. Time Closed: 1:25 p.m.

Members of the Committee Present: Senators Avard, Giuda, Gray, Watters and Perkins Kwoka.

Members of the Committee Absent: None.

Bill Analysis: This bill provides that moneys in the renewable energy fund shall be continually appropriated to the public utilities commission for the programs and expenditures funded from the fund.

Sponsors:

Sen. Bradley

Who supports the bill: Senator Jeb Bradley, NH Senate District 3; Heidi Kroll, Monadnock Paper Mills and Granite State Hydropower Association; Rob Werner, League of Conservation Voters; Madeleine Mineau, Clean Energy NH; Mark Dean, NH Electric Cooperative; Dan Weeks, ReVision Energy; Susan Arnold, Appalachian Mountain Club; Elizabeth Janeway, NH Audubon; Eric Kilens, Granite State Solar; Nicole Fordey; Evan Oxenham; Mary Boyle; Jennifer Lenz; Susan Liebowitz; Jonathan Glass; Joanna Sharf.

Who opposes the bill: None.

Who is neutral on the bill: Dianne Martin, Public Utilities Commission.

Summary of testimony presented in support:

Senator Jeb Bradley

NH Senate District 3

- The Renewable Energy Fund (REF) is a part of the state's Renewable Portfolio Standard (RPS). Electric utilities are obligated to purchase electricity from renewable sources by purchasing Renewable Energy Credits (RECs). If a utility should be unable to purchase enough RECs to meet their RPS obligations, the utility must make Alternative Compliance Payments (ACPs). ACPs are used to fund the REF, which offers grants and rebates to renewable projects that can create more RECs for utilities to meet their RPS obligations.
- In 2017, HB 517 made changes RSA 362-F:10, I pertaining to the REF. The change removed a stipulation that the REF shall be "continually appropriated" to the Public Utilities Commission (PUC) and made the REF "nonlapsing" only. This has created difficulties for those who receive REF rebates, as well for the PUC which has to expend REF funds within one fiscal year.
- SB 78-FN would restore the phrase "continually appropriated" to the RSA 362-F:10, I, allowing for smoother REF funding and better outcomes for customers and businesses engaged in renewable energy projects.

- SB 78-FN will do nothing to impact electric rates but make a statutory change to smooth out the REF's accounting process.
- Senator Gray said he sits on the Joint Committee on Dedicated Funds. He thought that if the REF was nonlapsing, the funds should remain in the Fund year to year. Senator Gray would like to get more information on the REF.
 - o Senator Bradley deferred to others to answer Senator Gray's question. He said REF advocates have found that there have been disruptions in rebates offered by the REF year to year. SB 78-FN would allow for smoother funding.
- Senator Giuda noted that SB 78-FN had a fiscal note. He wanted to know if SB 78-FN would have any impact on the state's budget. He also noted that he is supportive of SB 78-FN as several constituents have noted to him the delay in accessing REF funds for renewable projects.
 - o Senator Bradley did not believe SB 78-FN would have any impact on the budget.

Madeleine Mineau - provided written testimony

Executive Director, Clean Energy NH

- The change to RSA 362-F:10, I via HB 517 was not implemented until the fall of 2020. The implementation caused months long delays in formulating the REF's budget, causing significant delays and uncertainty for customers and businesses applying for rebates from the REF, and will cause the REF programs to run out of funding while a balance in the REF remains unused.
- Without the REF being continually appropriated to the PUC for its intended use, there is roughly \$2.5 million in the REF that will be unused in FY21 while the REF programs run out of allocated funding, causing stop-starts and waitlists in the REF programs.
- Making the REF continually appropriated in RSA 362-F:10, I under SB 78-FN will avoid disruptions from one fiscal year to the next and smooth transitions. It can be difficult for renewable project developers to apply to REF programs and complete the project within the same fiscal year. Allowing the projects to span fiscal years is important. REF revenues can vary from year to year, so allowing funds received in one fiscal year to be used in the next can help minimize drastic funding availability swings.

Dan Weeks

Director of Market Development, ReVision Energy

- Many individuals, non-profits, businesses, and municipalities have transitioned to solar energy to reduce their carbon emissions and energy costs. Historically, the REF has been important in overcoming a project's upfront capital costs. However, overtime, REF funding has decreased and impacted the size of the REF's rebates and grants. Up until 2018, REF grants were as high as \$150,000 for large renewable energy projects. In 2019, the cap for grants was decreased to \$50,000 and to \$10,000 in 2020. While the REF has faced funding challenges, the COVID-19 pandemic had negative impacts on customers and renewable project developers as the nation's economy was crippled. There has also been a 40% reduction in the number of solar businesses in NH. While ReVision Energy has seen modest growth, the company would like to see a more competitive landscape across NH. Additionally, NH's value of solar is roughly half of what it is in Maine and a third of what it is in Massachusetts and Vermont. All these factors are contributing to why NH is seeing a loss in its solar industry. Passing
- Due to the REF being only nonlapsing and not continually appropriated, ReVision Energy has been unable to model rebates from the REF for its customers, leading to further delays. Passing SB 78-FN will be a small measure to help correct some challenges in the solar industry.

Summary of testimony presented in opposition: None.

Neutral Information Presented:

Dianne Martin

Chairwoman, PUC

- Before HB 517, both "continually appropriated" and "nonlapsing" were in RSA 362-F:10, I. SB 78-FN as introduced would make the REF continually appropriated to the PUC but would make the REF a lapsing fund as the phrase "nonlapsing" is being removed in the bill. Passing SB 78-FN as introduced would lapse all REF funds into the state's general fund.
- Senator Gray asked if the PUC would prefer "continually appropriated" and "nonlapsing" in RSA 362-F:10, I.

- Chairwoman Martin said the PUC does not take a position on SB 78-FN. The NH General Court makes policy decisions on how and when REF funds should be spent. If the NH General Court wants the PUC to be able to spend REF funds without interruption, the phase "nonlapsing" is as important as "continually appropriated."
- Senator Gray said Ms. Mineau testified that \$2.5 million remained unspent in the REF. He asked Chairwoman Martin to comment.
 - o Chairwoman Martin could not comment why HB 517's changes from 2017 were not implemented until the recent budget cycle. With RSA 362-F:10, I being what it was, the PUC had to abide by state statute. The PUC had to determine how much money was in the REF to use. The PUC had a FY21 appropriation of \$5 million to the REF, but the ACPs only generated \$2.5 million. There was also an organizational footnote in the budget pertaining to the REF. The PUC had to consider many factors. The NH Department of Administrative Services helped the PUC determine that the PUC could spend up to the \$5 million appropriation, but there was roughly \$2.5 million in the REF remaining at the end of FY20. Without the phrase "continually appropriated," the PUC would need to seek approval from the Joint Fiscal Committee to spend that \$2.5 million in FY21.
- Senator Gray asked if there were any notes in the approved budget about the PUC returning any unspent REF money in the form of a lapse.
 - o Chairwoman Martin said there was a note, but it did not speak to the "nonlapsing" provision. The footnote spoke to the fact that if ACP revenue for the REF was lower than the PUC's budget appropriation, then the PUC had to reduce the appropriation, administrative costs, and REF rebates accordingly. This required a complex analysis in reviewing ACP revenue against the budget appropriation.
- Senator Watters asked if Senator Bradley or Ms. Mineau could speak to the need to have "nonlapsing" and "continually appropriated" in SB 78-FN's language.
 - o Senator Bradley said that after listening to Chairwoman Martin's testimony, if the REF was to be restored to how it was managed before HB 517's changes, the phrases "nonlapsing" and "continually appropriated" needed to be included in SB 78-FN. There would need to be a committee amendment for that change. Therefore, the amendment should have RSA 362-F:10, I read this nonlapsing, special fund shall be continually appropriated to the commission to be expended in accordance with this section.
 - o Chairwoman Martin agreed with Senator Bradley's proposed language.

GJR

Date Hearing Report completed: January 26, 2021.

Speakers

Name	Title	Representing	Position	Testifying
Weeks Dan	A Member of the Public	ReVision Energy	Support	Yes
Mineau Madeleine	A Lobbyist	Clean Energy NH	Support	Yes
Bradley Jeb	An Elected Official	Jeb Bradley SD 3	Support	Yes
Werner Rob	A Lobbyist	League of Conservation Voters	Support	No
Martin Dianne	State Agency Staff	New Hampshire Public Utilities Commission	Neutral	No
Liebowitz Susan	A Member of the Public	Myself	Support	No
Glass Jonathan	A Member of the Public	Myself	Support	No
Oxenham Evan	A Member of the Public	Myself	Support	No
Boyle Mary	A Member of the Public	Myself	Support	No
Lenz Jennifer	A Member of the Public	Myself	Support	No
Dean Mark	A Lobbyist	New Hampshire Electric Cooperative Inc.	Support	No
Arnold Susan	A Lobbyist	Appalachian Mountain Club	Support	No
Janeway Elizabeth	A Lobbyist	NH Audubon	Support	No
Kilens Eric	A Member of the Public	Granite State Solar	Support	No
Sharf Joanna	A Member of the Public	Myself	Support	No
Kroll Heidi	A Lobbyist	Monadnock Paper Mills	Support	No
Fordey Nicole	A Member of the Public	- Myself	Support	No

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Testimony

Griffin Roberge

From:	Madeleine Mineau <madeleine@cleanenergynh.org></madeleine@cleanenergynh.org>		
Sent:	Monday, January 25, 2021 11:01 AM		
То:	Griffin Roberge		
Subject:	CENH written testimony on SB78 and SB71		
Attachments:	CENH testimony SB78 20210126.pdf; CENH SB71 Testimony 20210126.pdf		

Hi Griffin,

Here is our written testimony for SB78 and SB71 for tomorrow's hearings. Should I also send this directly to the Senators or are you compiling written testimonies for them? Thank you, Madeleine

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٢ Madeleine Mineau **Executive Director** Clean Energy NH (formerly NHSEA) Cell phone: 607-592-6184

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14 Dixon Ave, Suite 202 | Concord, NH 03301 | 603.226.4732

January 26th, 2021

The Honorable Kevin Avard, Chair NH Senate Energy and Natural Resources Committee Submitted via email

Testimony on SB78 relative to continually appropriating the renewable energy fund to the public utilities commission

Dear Chairman Avard 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 SB78 which would return the Renewable Energy Fund to be continually appropriated rather than simply nonlapsing.

The Renewable Energy Fund (REF) is funded from alternative compliance payments from electric suppliers in the implementation of the Renewable Portfolio Standard (RPS). The REF is used to fund grant and rebate programs for central wood pellet heating systems, solar PV systems, low-income community solar projects, and a competitive grant program. The investments made in these programs leverage private investment 6:1 and they stimulate the installation of renewable electricity and heating systems necessary to meet the goals of NH's RPS.

In 2020, a legislative change from 2017 was implemented which changed the administration of the Renewable Energy Fund from continually appropriated to nonlapsing. This change caused months long delays in the issuance of the REF budgets for this fiscal year, caused significant uncertainty and delays for the customers and businesses applying for rebates, and will cause the programs to run out of funding causing disrupting suspension of the programs while a balance in the fund goes unused. Without the REF being continually appropriated to the Public Utilities Commission (PUC) to administer the fund for its intended use, there is a roughly \$2.5 million balance in the fund that will go unused this fiscal year while the rebate programs run out of allocated funding causing very disruptive stop-start and waitlists in the programs.



14 Dixon Ave, Suite 202 | Concord, NH 03301 | 603.226.4732

Making the REF continually appropriate to the PUC will also help avoid disruptions from the change from one state fiscal year to the next and help smooth those transitions. It can be difficult or impossible to time project development to apply for the REF programs and complete the project within the same state fiscal year and so allowing for projects to span state fiscal years is important. Revenues from one year to the next can be very variable and allowing for funds received in one fiscal year to be spent in the next can help minimize drastic funding availability swings. The PUC is accustomed to balancing budgets and managing the fund in a continuously appropriated manner, having done so before the 2017 legislative adjustment was made. Therefore there should be low administrative burden to the agency to administer the fund in this manner.

We hear consistently that, above all, businesses want consistency from state policies and programs. Passing SB78 will help to make the REF and the programs it funds more consistent and predictable for our businesses and their customers.

Therefore, Clean Energy NH kindly requests that you support SB78.

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



14 Dixon Ave, Suite 202 | Concord, NH 03301 | 603.226.4732

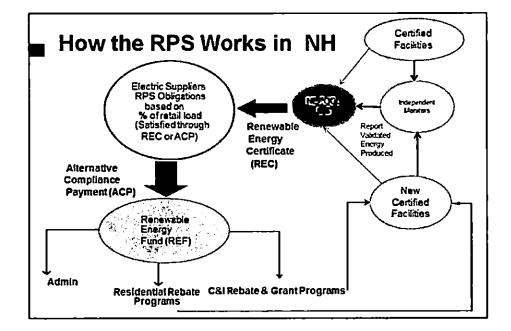


Figure 1: The Renewable Porfolio Standards and how the REC market operates with the Renewable Energy Fund (credit PUC Renewable Energy Fund Report)

Griffin Roberge

From:	Heidi L. Kroll <kroll@gcglaw.com></kroll@gcglaw.com>
Sent:	Monday, January 25, 2021 1:26 PM
To:	Kevin Avard; Bob Giuda; James Gray; Rebecca Perkins Kwoka; David Watters; Griffin Roberge
Cc:	Jeb Bradley; Shannon Girard
Subject:	Testimony of GSHA in support of SB 78, Continually appropriating the renewable energy fund to the public utilities commission
Attachments:	FINAL testimony on SB 78 re RPS REF.pdf

Good afternoon Mr. Chairman and Honorable Members of the Senate Energy and Natural Resources Committee,

On behalf of the Granite State Hydropower Association (GSHA), I am submitting written testimony in support of SB 78 relative to continually appropriating the renewable energy fund to the public utilities commission. Due to scheduling conflicts, I will likely not be able to participate in tomorrow's hearing on the bill. However, I would be happy to answer any questions you may have. Please feel free to email me or call my cell phone anytime.

I would also note that I have signed-up Monadnock Paper Mills, another client of mine, in support of SB 78.

I look forward to working with all of you this session. Have a great day!

Sincerely, Heidi

> Heidi L. Kroll direct 603.545.3710 tel 603.228.1181

tel 800.528.1181 cell 603.496.2345 fax 603.226.3334

http://www.gcglaw.com

Gallagher, Callahan & Gartrell, PC A multidisciplinary law firm 214 N. Main Street Concord, New Hampshire 03301

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GRANITE STATE HYDROPOWER ASSOCIATION, INC.

TWO COMMERCIAL STREET BOSCAWEN, NEW HAMPSHIRE 03303 Telephone: Email: Website: 603-753-4577 gsha@essexhydro.com www.granitestatehydro.org

January 26, 2021

Senator Kevin Avard, Chairman Senate Energy and Natural Resources Committee New Hampshire State House Concord, NH 03301

RE: SB 78 - Continually appropriating the renewable energy fund to the public utilities commission.

Dear Chairman Avard and Honorable Members of the Committee,

The Granite State Hydropower Association (GSHA) appreciates this opportunity to testify in support of SB 78 relative to continually appropriating the renewable energy fund to the public utilities commission. **GSHA is supportive of the bill and respectfully urges this Committee to pass it**.

By way of brief background, GSHA is a voluntary, non-profit trade association for the small-scale hydropower industry in New Hampshire. Members of GSHA own and operate nearly 50 hydroelectric facilities located in 35 towns and cities throughout the state, totaling nearly 55 megawatts (MWs) of distributed generation. GSHA members produce an emissions-free, renewable, reliable and locally distributed source of electricity that provides important economic, recreational, and environmental benefits to New Hampshire. GSHA hydro facilities pay local and state property and business taxes, employ New Hampshire residents, and purchase local goods and services needed for operation and maintenance.

It is not clear to us why <u>RSA 362-F:10</u>, section I, was changed by HB 517 (2017). The change was likely viewed at the time as inconsequential housekeeping. However, the change is having unintended consequences. It is impeding the ability of the Public Utilities Commission to access funds in the Renewable Energy Fund (REF) and use them for cost-effective NH-based renewable energy initiatives that increase the supply of renewable generation and Renewable Energy Certificates. The PUC's annual reports detail the substantial benefits that the REF consistently delivers. One of the PUC's initiatives is a competitive grant program. Over the years, several of NH's small-scale hydro facilities have competed for and been awarded REF grants. The facility owners leveraged these grants with their own investment and in-kind contributions to improve the operation of their facilities and increase locally produced hydro generation.

For these reasons, **we respectfully urge this Committee to pass SB 78**. GSHA greatly appreciates your time and consideration of this testimony and is happy to answer any questions or provide further information. Thank you very much.

Sincerely,

PRODUCING ELECTRICITY FROM A RENEWABLE RESOURCE.___

Testimony of the Granite State Hydropower Association, 1/26/21, page 2 of 2 RE: SB 78 - Continually appropriating the renewable energy fund to the public utilities commission.

Bob King, President, Granite State Hydropower Association

PRODUCING ELECTRICITY FROM A RENEWABLE RESOURCE.

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Griffin Roberge

From: Sent: To: Subject: Attachments: Eric Kilens <Eric@granitestatesolar.com> Tuesday, January 26, 2021 1:09 PM Griffin Roberge SB78 Written Comments SB 78 Testimony.pdf

NH Senate Energy and Natural Resources Committee,

Please find attached to this email Granite State Solar's written comments in support of SB78.

All the best,

Eric Kilens Senior Solar Advisor



2020 Best of Business Winner for Best Solar Company





57 Ryan Road, Bow, NH 03304

January 26th, 2021

The Honorable Kevin Avard, Chair NH Senate Energy and Natural Resources Committee Submitted via email

Testimony on SB78 relative to continually appropriating the renewable energy fund to the public utilities commission.

Dear Chairman Avard and members of the Committee,

Granite State Solar is a well-established locally owned solar company with more than thirteen years of solar experience in New Hampshire. We are proud to be a small business in the state helping to grow the local economy and provide energy diversity, thus helping to lower the state's dependence on imported fossil fuel generated energy.

GSS supports SB78 which would return the Renewable Energy Fund to be continually appropriated rather than non-lapsing.

The New Hampshire Renewable Portfolio Standard (RPS), which requires electric service suppliers to obtain a certain percentage of energy from renewable sources, has helped to create the Renewable Energy Fund (REF). Electric service suppliers who cannot obtain sufficient energy from renewable sources pay alternative compliance payments (ACP's) that funds the REF. The REF is critically important to our company as it helps to stimulate solar energy projects across the state through offering energy rebate programs for our residential and commercial customers. These rebates not only help our customers see a quick return on their investment but also provide the state with more clean, renewable energy, while also helping electric service suppliers meet their clean energy requirements per the RPS.

Unfortunately, last year legislation was passed that changed the REF from continually appropriated to non-lapsing. This change has negatively impacted our business. Making the fund be non-lapsing is not suitable due to the fact that funding comes from unpredictable alternative compliance payments. In other words the amount of money available each year is directly related to the number of ACP's made by the electric service suppliers. In some years there is more money available than other years. This make it difficult to properly manage the money. For example, the rebate money now gets depleted before funds can get replenished, thus creating a start-stop in the rebate program, which creates uncertainties for our customers and disrupts the flow of our business. Currently, the residential rebate program has received more applications than there is available funding. A small number of applications have been waitlisted and the program is now temporarily suspended, even though there is approximately a balance \$2.5 million remaining for this fiscal year, which unfortunately will not be used. Changing the REF back to continually appropriated will help with the managing of the funds from year to year, thus reducing the chances of having to temporarily suspend rebate programs.

The entire team at Granite State Solar thanks you for taking the time to read our letter. We hope you consider just how impactful the passing of SB78 would be for our business and the renewable energy industry here in the state of New Hampshire.

Sincerely,

Eric Kilens Senior Solar Advisor <u>eric@granitestatesolar.com</u> (603) 410-7427 <u>GraniteStateSolar.com</u>

Voting Sheets

Senate Energy & Natural Resources Committee EXECUTIVE SESSION RECORD 2021-2022 Session

Bill # 58 78-FN Hearing Date: 01/26/2021 Executive Session Date: 01/26/2021 Motion of:______ OTP Vote: Present Second Committee Member Made by Yes No Sen. Avard, Chair \checkmark くく Sen. Giuda, Vice Chair Sen. Gray Sen. Watters Sen. Perkins Kwoka Motion of: Committee Amendment _____ Vote:_ 5 - 0 Committee Member Present Made by Second Yes No Sen. Avard, Chair 1 Sen. Giuda, Vice Chair Sen. Gray Sen. Watters Sen. Perkins Kwoka _____OTPA 5-0 Vote: Motion of: Made by Committee Member Present Second Yes No Sen. Avard, Chair Sen. Giuda, Vice Chair Sen. Gray Sen. Watters Sen. Perkins Kwoka Motion of:_____ Consent vote: ۲-0 Present Made by **Committee Member** Second Yes Sen. Avard, Chair Sen. Giuda, Vice Chair Sen. Gray Sen. Watters Sen. Perkins Kwoka Reported out by: Gray _____ Notes:

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE FOR THE CONSENT CALENDAR

Tuesday, January 26, 2021

THE COMMITTEE ON Energy and Natural Resources

to which was referred SB 78-FN

AN ACT

relative to continually appropriating the renewable energy fund to the public utilities commission.

Having considered the same, the committee recommends that the Bill

OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 5-0

AMENDMENT # 0135s

Senator James Gray For the Committee

In 2017, changes in the state budget bill HB 517 removed the words "continually appropriated" from the statute pertaining to the Renewable Energy Fund. The state's Renewable Energy Fund remained a nonlapsing fund but because it was no longer continually appropriated as additional funds were deposited into the fund that exceeded the budgeted amount those funds could not be spent without additional legislative approval. Due to the change the Commission was prevented from formulating the Fund's budget in a timely manner, stalling the completion of renewable energy projects for customers and businesses. Senate Bill 78-FN, as amended, restores the statutory language that existed before the 2017 state budget changes, ensures that the Fund is both nonlapsing and continually appropriated, and provides the commission the ability to distribute the funds quickly as the legislature intended to those who qualify.

Griffin Roberge 271-3042

FOR THE CONSENT CALENDAR

ENERGY AND NATURAL RESOURCES

SB 78-FN, relative to continually appropriating the renewable energy fund to the public utilities commission.

Ought to Pass with Amendment, Vote 5-0.

Senator James Gray for the committee.

In 2017, changes in the state budget bill HB 517 removed the words "continually appropriated" from the statute pertaining to the Renewable Energy Fund. The state's Renewable Energy Fund remained a nonlapsing fund but because it was no longer continually appropriated as additional funds were deposited into the fund that exceeded the budgeted amount those funds could not be spent without additional legislative approval. Due to the change the Commission was prevented from formulating the Fund's budget in a timely manner, stalling the completion of renewable energy projects for customers and businesses. Senate Bill 78-FN, as amended, restores the statutory language that existed before the 2017 state budget changes, ensures that the Fund is both nonlapsing and continually appropriated, and provides the commission the ability to distribute the funds quickly as the legislature intended to those who qualify.

Docket of SB78

Docket Abbreviations

Bill Title: (New Title) relative to continually appropriating the renewable energy fund to the public utilities commission, and relative to clarifying certain electric renewable energy classification

Date	Body	Description
1/20/2021	S	Introduced 01/06/2021 and Referred to Energy and Natural Resources; SJ 3
1/21/2021	S	Remote Hearing: 01/26/2021, 01:00 pm; Links to join the hearing can be found in the Senate Calendar; SC 8
1/28/2021	S	Committee Report: Ought to Pass with Amendment #2021-0135s , 02/04/2021; Vote 5-0; CC; SC 9
2/4/2021	S	Committee Amendment #2021-0135s, RC 23Y-1N, AA; 02/04/2021; SJ 3
2/4/2021	S	Ought to Pass with Amendment 2021-0135s, RC 23Y-1N, MA; OT3rdg; 02/04/2021; SJ 3
3/10/2021	н	Introduced (in recess of) 02/25/2021 and referred to Science, Technology and Energy HJ 4 P. 48
4/6/2021	н	Public Hearing: 04/19/2021 10:00 am Members of the public may attend using the following link: To join the webinar: https://www.zoom.us/j/96379037711 / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
4/20/2021	н	Full Committee Work Session: 05/03/2021 11:00 am Members of the public may attend using the following link: To join the webinar: https://www.zoom.us/j/93424176488
5/18/2021	•н	Executive Session: 05/24/2021 10:00 am Members of the public may attend using the following link: To join the webinar: https://www.zoom.us/j/94155532481
5/26/2021	Н	Committee Report: Ought to Pass with Amendment #2021-1562h (Vote 20-0; CC) HC 26 P. 12-
6/3/2021	н	Amendment #2021-1562h : AA VV 06/03/2021
6/3/2021	н	Ought to Pass with Amendment 2021-1562h: MA VV 06/03/2021
6/10/2021	S	Sen. Avard Moved Nonconcur with the House Amendment; Requests C of C, MA, VV; 06/10/2021; SJ 19
6/10/2021	S	President Appoints: Senators Avard, Gray, Watters; 06/10/2021; SJ 19
6/10/2021	Н	House Refuses to Accede to Senate Request for CofC (Rep. Vose): MA VV 06/10/2021

NH House

NH Senate

Other Referrals

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Senate Inventory Checklist for Archives

Bill Number: SB 78-FN

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Senate Committee: ENR

Please include all doc included with an "X" l		listed below and in	dicate the docum	ents which hav	e been
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Bill Hearing Docum	<u>ents: {Legislative</u>	<u>Aides)</u>			•
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X Hearing Sign-	up sheet(s)				
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