

REGULAR CALENDAR

October 17, 2022

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Science, Technology and Energy to
which was referred SB 113,**

**AN ACT relative to the alternative compliance
payments for renewable energy obligations not met
through the purchase of renewable energy credits.**

**Having considered the same, report the same: NOT
RECOMMENDED FOR FUTURE LEGISLATION.**

Rep. Jose Cambrils

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Science, Technology and Energy
Bill Number:	SB 113
Title:	relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits.
Date:	October 17, 2022
Consent Calendar:	REGULAR
Recommendation:	NOT RECOMMENDED FOR FUTURE LEGISLATION

STATEMENT OF INTENT

The majority found that this bill should not be recommended for further legislation. During testimony on the bill, the primary sponsor recognized that the bill had potential ramifications that were not well understood. Per the sponsor's request the bill was put into Interim Study, where our committee determined that the bill was not viable until its consequences were sufficiently grasped.

Vote 16-1.

Rep. Jose Cambrils
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Science, Technology and Energy

SB 113, relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits.**NOT RECOMMENDED FOR FUTURE LEGISLATION .**

Rep. Jose Cambrils for Science, Technology and Energy. The majority found that this bill should not be recommended for further legislation. During testimony on the bill, the primary sponsor recognized that the bill had potential ramifications that were not well understood. Per the sponsor's request the bill was put into Interim Study, where our committee determined that the bill was not viable until its consequences were sufficiently grasped. **Vote 16-1.**

Original: House Clerk

Cc: Committee Bill File

CONSENT CALENDAR

November 15, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Science, Technology and Energy to
which was referred SB 113,**

**AN ACT relative to the alternative compliance
payments for renewable energy obligations not met
through the purchase of renewable energy credits.**

**Having considered the same, report the same with the
recommendation that the bill be REFERRED FOR
INTERIM STUDY.**

Rep. Nick White

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Science, Technology and Energy
Bill Number:	SB 113
Title:	relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits.
Date:	November 15, 2021
Consent Calendar:	CONSENT
Recommendation:	REFER FOR INTERIM STUDY

STATEMENT OF INTENT

This bill sought to make all renewable portfolio standard alternative compliance payments equal across all classes. The sponsor indicated during testimony that further investigation was prudent in order to understand the implications of this change. As a result, the committee voted to Refer the bill for Interim Study.

Vote 19-2.

Rep. Nick White
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Science, Technology and Energy

SB 113, relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits. **REFER FOR INTERIM STUDY.**

Rep. Nick White for Science, Technology and Energy. This bill sought to make all renewable portfolio standard alternative compliance payments equal across all classes. The sponsor indicated during testimony that further investigation was prudent in order to understand the implications of this change. As a result, the committee voted to Refer the bill for Interim Study. **Vote 19-2.**

Original: House Clerk

Cc: Committee Bill File

HOUSE COMMITTEE ON Science, Technology and Energy

BILL NUMBER: SB 113

**BILL TITLE: relative to the alternative compliance payments for
renewable energy obligations not met through the
purchase of renewable energy credits.**

DATE: May 24, 2021

THE COMMITTEE HAS VOTED TO RETAIN THIS BILL.

Rep. Vose, Chair



2022 SESSION

Science, Technology and Energy

Bill #: SB113 Motion: Not recommend AM #: _____ Exec Session Date: 10/6/2022

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Vose, Michael Chairman	x		
Thomas, Douglas W. Vice Chairman	x		
Harrington, Michael D.	x		
Notter, Jeanine M.	x		
Merner, Troy E.	x		
Plett, Fred R. Clerk	x		
Berezhny, Lex	x		
Bernardy, JD	x		
Cambrils, Jose E.	x		
Ploszaj, Tom	x		
White, Nick D.			x
Lewicki, John	x		
Somssich, Peter F.	x		
Cali-Pitts, Jacqueline A.	x		
Mann, John E.	x		
Oxenham, Lee Walker	x		
Vincent, Kenneth S.			x
McGhee, Kat	x		
McWilliams, Rebecca J.		x	
Chretien, Jacqueline H.			x
Pimentel, Roderick L.			x



1/22/2021 10:09:50 AM
Roll Call Committee Registers
Report

2022 SESSION

Science, Technology and Energy

Bill #: SB113 Motion: Not recommend AM #: _____ Exec Session Date: 10/6/2022

Parshall, Lucius

TOTAL VOTE:

			x
	16	1	5

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on SB 113

BILL TITLE: relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits.

DATE: October 26, 2021

LOB ROOM: 302 - 304

MOTIONS: **REFER FOR INTERIM STUDY**

Moved by Rep. White

Seconded by Rep. Ploszaj

Vote: 19-2

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Fred Plett, Clerk



2021 SESSION

Science, Technology and Energy

Bill #: SB113 Motion: Interim Study AM #: _____ Exec Session Date: October 26, 2021

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Vose, Michael Chairman	X		
Thomas, Douglas W. Vice Chairman	X		
Harrington, Michael D.	X		
Notter, Jeanine M.	X		
Merner, Troy E.	X		
Plett, Fred R. Clerk	X		
Berezhny, Lex	X		
Bernardy, JD	X		
Cambrils, Jose E.	X		
Ploszaj, Tom	X		
White, Nick D.	X		
Somssich, Peter F.	X		
Cali-Pitts, Jacqueline A.	X		
Mann, John E.		X	
Oxenham, Lee Walker	X		
X Rep. Horrigan, Tim	X		
McGhee, Kat	X		
X Rep. Rosemarie Rung	X		
Chretien, Jacqueline H.	X		
Pimentel, Roderick L.	X		
Parshall, Lucius		X	



1/22/2021 10:09:50 AM
Roll Call Committee Registers
Report

2021 SESSION

Science, Technology and Energy

Bill #: SB113 Motion: Interim Study AM #: _____ Exec Session Date: October 26, 2021

TOTAL VOTE:

	19		2	
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HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on SB 113

BILL TITLE: relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits.

DATE: May 24, 2021

LOB ROOM: 206-208 Hybrid

MOTIONS: **RETAINED**

Moved by Rep. Thomas

Seconded by Rep. Notter

Vote: 20-0

Respectfully submitted,

Rep Fred Plett, Clerk

HOUSE COMMITTEE ON Science, Technology and Energy

EXECUTIVE SESSION ON SB 113

BILL TITLE: AN ACT relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits.

DATE: May 24, 2021

LOB ROOM: 206-208

MOTION: (Please check one box)

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

Moved by Rep. Thomas Seconded by Rep. Notter Vote: 20-0-0

MOTION: (Please check one box)

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

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

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

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

CONSENT CALENDAR? Yes No

Minority Report? Yes No If yes, author, Rep.: _____ Motion: _____

Respectfully submitted, Rep. Fred Plett, Clerk



2021 SESSION

Science, Technology and Energy

Bill #: SB113 Motion: Retain AM #: _____ Exec Session Date: May 24 2021

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Vose, Michael Chairman	x		
Thomas, Douglas W. Vice Chairman	x		
Harrington, Michael D.	x		
Notter, Jeanine M.	x		
Melvin, Charles – substituting for Rep. Merner	x		
Plett, Fred R. Clerk	x		
Berezhny, Lex	x		
Bernardy, JD	x		
Cambrils, Jose E.	x		
Ploszaj, Tom	x		
White, Nick D.	x		
Somssich, Peter F.	x		
Cali-Pitts, Jacqueline A.	x		
Mann, John E.	x		
Oxenham, Lee Walker	x		
Vincent, Kenneth S.			x
McGhee, Kat	x		
McWilliams, Rebecca J.	x		
Chretien, Jacqueline H.	x		
Pimentel, Roderick L.	x		
Parshall, Lucius	x		



1/22/2021 10:09:50 AM
Roll Call Committee Registers
Report

2021 SESSION

Science, Technology and Energy

Bill #:	SB113	Motion:	Retain	AM #:		Exec Session Date:	May 24 2021	
TOTAL VOTE:						20	0	1

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION on SB 113

BILL TITLE: relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits.

DATE: September 29, 2021

Subcommittee Members: Reps. Cambrils, Ploszaj, White, Chretien and Parshall

Comments and Recommendations: Rep. Cambrils - Rep. Sommich wants to pass; Rep. Vose - Senator Bradley himself said Interim Study.

MOTIONS: REFER FOR INTERIM STUDY

Moved by Rep. Rep. White

Seconded by Rep. Rep. Ploszaj

Vote: 3-2

Respectfully submitted,

Rep. Fred Plett
Subcommittee Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION on SB 113

BILL TITLE: relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits.

DATE: September 29, 2021

Subcommittee Members: Reps. Cambrils, Ploszaj, White, Chretien and Parshall

Comments and Recommendations:

Handwritten notes: Cambrils - #12; Sun... - wants to pass; Jose - Bradley himself said I S.

MOTIONS: OTP, OTP/A, ITL, Retained (1st Yr), Interim Study (2nd Yr) (Please circle one)

Moved by Rep. White Seconded by Rep. Ploszaj AM Vote: 3-2

Adoption of Amendment #

Moved by Rep. Seconded by Rep. Vote:

Amendment Adopted Amendment Failed

MOTIONS: OTP, OTP/A, ITL, Retained (1st Yr), Interim Study (2nd Yr) (Please circle one)

Moved by Rep. Seconded by Rep. AM Vote:

Adoption of Amendment #

Moved by Rep. Seconded by Rep. Vote:

Amendment Adopted Amendment Failed

Respectfully submitted,

Rep. [Signature] Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

PUBLIC HEARING ON SB 113

BILL TITLE: relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits.

DATE: May 3, 2021

LOB ROOM: 301-303 Hybrid **Time Public Hearing Called to Order:** 10:10 a.m.

Time Adjourned: 10:33 a.m.

Committee Members: Reps. Vose, Thomas, Plett, Harrington, Notter, Merner, Berezhny, Bernardy, Cambrils, Ploszaj, White, Somssich, Cali-Pitts, Mann, Oxenham, Vincent, McGhee, McWilliams, Chretien, Pimentel and Parshall

Bill Sponsors:

Sen. Bradley

Sen. Perkins Kwoka

Rep. Merner

Sen. Watters

Rep. Gordon

Rep. Lang

Sen. Giuda

Rep. Pearl

TESTIMONY

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

Passage would have limited impact on rates. RPS low. It would even out ACP across types of renewables. Page 5 adds hydrogen derived from water. Senate passed unanimously or almost unanimously. He thinks the best option is to retain it. Vose - if we retain, would it be useful to add the hydrogen from water adding it to another bill? Bradley thinks good idea. Rep. Somssich - What is an ACP? An ACP would be paid if renewable energy credits not available. A way of encouraging re-newables. Rep. Cali-Pitts - how can you say minimal impact with the jump in some of them? This is similar to legislation 2017-2019 which expired. Every October PUC publishes impact of REC's in a pie chart, pretty small. Rep. Cali-Pitts - why do this without a study on the impact. Rep. Cali-Pitts - when this bill comes up, retroactive. Can we do this? The intent is to maintain the rates in effect prior to expiration. Rep. Plett - Why not a lower uniform rate such as \$30? \$55 is a floor to encourage small scale re-newables, jobs effect. Rep. McGhee - How about other states? Uniform with other states? Do not know other states. This bill in identical form was passed last year in an omnibus bill, did not survive process. Rep. Bernardy - what work to establish a \$55 floor? A rec will not likely go above \$55, ensures producers stay viable. The price point is keeping viable the producers. Rep. Pimental - rates for recs way below. Is anybody buying ACPs? SB29 established the price for 2017-2019. Rep. Pimental - what consensus? - There may not be consensus as to \$55. Rep. Pimental - If not being used, what difference does the price level make? It isn't clear they aren't being used. Chairman Vose - Why not combine classes? Some angst and opposition. Rep. Oxenham - isn't it the case that classes were set up to encourage new resources? Yes. However, a dozen years later, the picture may be different.

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

PUBLIC HEARING on Bill # __SB113

BILL TITLE: relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits

DATE: __May 3, 2021_____

ROOM: LOB 301-303

Time Public Hearing Called to Order: 10:10 AM

Time Adjourned: 10:33 AM

(please circle if present)

Committee Members: Reps. Vose, Thomas, Plett, Harrington, Notter, Merner, Berezhny, Bernardy, Cambrils, Ploszaj, White, Somssich, Cali-Pitts, Mann, Oxenham, Vincent, McGhee, McWilliams, Chretien, Pimental and Parshall - All but Reps. Thomas, Harrington, Mann.

TESTIMONY

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

Senator Bradley – Passage would have limited impact on rates. RPS low. It would even out ACP across types of renewables. Page 5 adds hydrogen derived from water. Senate passed unanimously or almost unanimously. He thinks the best option is to retain it. Vose – if we retain, would it be useful to add the hydrogen from water adding it to another bill? Bradley thinks good idea. Rep. Somssich – What is an ACP? An ACP would be paid if renewable energy credits not available. A way of encouraging renewables. Rep. Cali-Pitts - how can you say minimal impact with the jump in some of them? This is similar to legislation 2017-2019 which expired. Every October PUC publishes impact of RECs, in a pie chart, pretty small. Rep. Cali-Pitts – why do this without a study on the impact. Rep. Cali-Pitts – when this bill comes up, retroactive. Can we do this? The intent is to maintain the rates in effect prior to expiration. Rep. Plett – Why not a lower uniform rate such as \$30? \$55 is a floor to encourage small scale renewables, jobs effect. Rep. McGhee – How about other states? Uniform with other states? Do not know other states. This bill in identical form was passed last year in an omnibus bill, did not survive process. Rep. Bernardy – what work to establish a \$55 floor? A rec will not likely go above \$55, ensures producers stay viable. The price point is keeping viable the producers. Rep. Pimental – rates for recs way below. Is anybody buying ACPs? SB29 established the price for 2017-2019. Rep. Pimental – what consensus? – There may not be consensus as to \$55. Rep. Pimental - If not being used, what difference does the price level make? It isn't clear they aren't being used. Chairman Vose – Why not combine classes? Some angst and opposition. Rep. Oxenham – isn't it the case that classes were set up to encourage new resources? Yes. However, a dozen years later, the picture may be different.

House Remote Testify

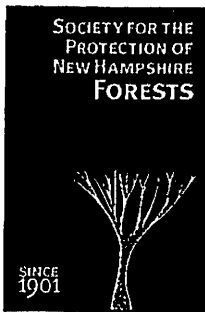
Commerce and Consumer Affairs Committee Testify List for Bill HB162 on 2021-02-09

Support: 22 Oppose: 1 Neutral: 2 Total to Testify: 3

[Export to Excel](#)

<u>Name</u>	<u>City, State Email Address</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Non-Germane</u>	<u>Signed Up</u>
Demers, Jim	James.demers@demers-prasol.com	A Lobbyist	NH Wine & Spirits Brokers Assn.	Neutral	Yes (3m)	No	2/8/2021 12:43 PM
Potucek, John	potucek1@comcast.net	An Elected Official	Myself	Support	Yes (3m)	No	2/3/2021 5:32 PM
Moore, Aidan	aidan.moore@liquor.nh.gov	State Agency Staff	Myself	Neutral	Yes (2m)	No	2/9/2021 7:57 AM
Axelman, Elliot	aluxelman@gmail.com	A Member of the Public	Myself	Support	No	No	2/9/2021 8:38 AM
Reagan, Senator John	kathryn.cummings@leg.state.nh.us	An Elected Official	Senate District 17	Support	No	No	2/9/2021 8:16 AM
McGregor, Mary	moeandgretasmommy@gmail.com	A Member of the Public	Myself	Support	No	No	2/9/2021 9:04 AM
LaBonte, James	jimilabonte27@gmail.com	A Member of the Public	Myself	Support	No	No	2/9/2021 9:34 AM
Calitz, Louis	louis@free603.org	A Member of the Public	Myself	Support	No	No	2/9/2021 9:29 AM
Birdsell, Senator Regina	regina.birdsell@leg.state.nh.us	An Elected Official	Senate District 19	Support	No	No	2/5/2021 12:52 PM
Rouillard, Claire	cdrouillard@comcast.net	An Elected Official	Myself	Support	No	No	2/6/2021 5:42 PM
Yokela, Josh	josh.yokela@leg.state.nh.us	An Elected Official	Rockingham 33	Support	No	No	2/8/2021 5:56 AM
Layon, Erica	erica.layon@leg.state.nh.us	An Elected Official	Myself	Support	No	No	2/8/2021 9:32 AM
Gericke, Carla	carlagericke@gmail.com	A Member of the Public	Myself	Support	No	No	2/8/2021 9:34 AM
Frost, Sherry	sherry.frost@leg.state.nh.us	An Elected Official	Myself	Support	No	No	2/8/2021 10:12 AM
Johnson, II, Robert	robj@nhfarmbureau.org	A Lobbyist	NH Farm Bureau Federation	Support	No	No	2/8/2021 4:43 PM
Frey, Kate	kfrey@new-futures.org	A Lobbyist	Myself	Oppose	No	No	2/8/2021 7:18 PM
ploszaj, tom	tom.ploszaj@leg.state.nh.us	An Elected Official	Myself	Support	No	No	2/8/2021 8:33 PM
Blasek, Melissa	melissa.blasek@leg.state.nh.us	An Elected Official	Myself	Support	No	No	2/8/2021 10:36 PM
Thomas, Nicholas	nicholas.w.thomas@uconn.edu	A Member of the Public	Myself	Support	No	No	2/8/2021 10:36 PM

Howland, Curtis	howland@priss.com	A Member of the Public	Myself	Support	No	No	2/8/2021 10:36 PM
Rathbun, Eric	ericrathbun@gmail.com	A Member of the Public	Myself	Support	No	No	2/8/2021 11:21 PM
Moore, Charles	voodoogodfather@gmail.com	A Member of the Public	Myself	Support	No	No	2/9/2021 12:33 AM
Mennella, Alexandra	amennella1@protonmail.com	A Member of the Public	Myself	Support	No	No	2/9/2021 7:24 AM
Hoy, Daniel	hoy.dan@gmail.com	A Member of the Public	Myself	Support	No	No	2/3/2021 8:40 AM
Hennessey, Erin	erin.hennessey@leg.state.nh.us	An Elected Official	SD1	Support	No	No	2/3/2021 11:04 AM



May 3, 2021

54 Portsmouth Street
Concord, NH 03301

Tel. 603.224.9945
Fax 603.228.0423

Info@forestsociety.org
www.forestsociety.org

The Honorable Michael Vose, Chairman
Committee on Science, Technology and Energy
Legislative Office Building, Room 304
New Hampshire House of Representatives
Concord, NH 03301

Dear Mr. Chairman and Members of the Committee:

Thank you for this opportunity to register the Society for the Protection of NH Forest's support for Senate Bill 113, legislation to increase the alternative compliance payments for certain classes in the Renewable Portfolio Standard.

As you know, the Forest Society is a 120-year-old land trust whose mission is to protect the state's most important landscapes while promoting the wise use of its renewable natural resources. It is the second part of that mission statement which most directly connects us to New Hampshire's forest-based economy. We own about 57,000 acres of forestland on 190 reservations and actively manage a portion of these lands. In fact, each year we conduct an average of 8 to 12 timber harvesting operations. In 2020, we treated about 522 acres, harvested approximately 1.64 million board feet of saw logs and 12,342 tons of low grade wood.

Those statistics highlight our belief in the important role sustainable forest management plays in keeping our state's forests as forests. We see it as a conservation strategy – a family able to derive income from sustainable forest management of their land is more likely to permanently conserve it.

That model depends on a vibrant market for all the timber that is harvested here. Much of the standing timber in New Hampshire is low-grade wood. Specifically, according to the 2020 NH Forest Action Plan, between 2000 and 2017, at least 70-80% of the total volume of timber harvested in the state came from lower value products of pulpwood, firewood and biomass which has a limited market. With the decline in paper manufacturing in New England, energy markets – using wood biomass for electricity or heat – have become the primary end user for the volume of low-grade wood our forests currently produce.

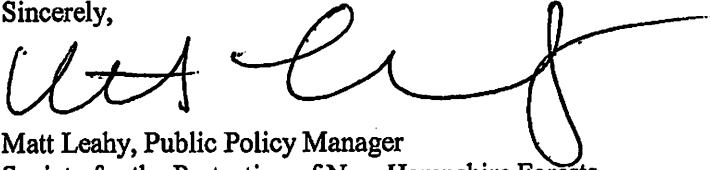
This is why we support SB 113. Disruptions in the operations of the biomass power plants or in the use of thermal biomass will undermine the outlets which loggers, landowners, and wood processors rely on for their low-grade timber. Increasing the value of the alternative compliance payments, as proposed in the bill, will certainly benefit the economic viability of those markets.

Just as importantly, we believe state policy should encourage landowners to care for and maintain their forestlands. For the families and other organizations that own this resource, maintaining the markets for low-grade timber reinforces their ability to protect New Hampshire's iconic forest landscapes. There are many reasons for this beyond how important the forest products industry is to our state. Careful and sustainable timber harvesting can result in more diverse and therefore more resilient forests. It is also

often used as a method of meeting other goals for management including the creation of wildlife habitats, maintenance of plant biodiversity, and promotion of recreational opportunities.

We understand the Committee may consider retaining the bill. While we believe SB 113 will be a helpful step towards ensuring our forests continue to play a central role in the overall quality of life in our state, we would also support a decision to retain it. Thank you for accepting this testimony.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matt Leahy', with a long horizontal flourish extending to the right.

Matt Leahy, Public Policy Manager
Society for the Protection of New Hampshire Forests



May 3, 2021

Representative Michael Vose, Chairman
N.H. House of Representatives Science, Technology, and Energy Committee
New Hampshire Legislative Office Building, Room 304
Concord, NH 03301

RE: Senate Bill 113, *AN ACT relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits*

Dear Chairman Vose and members of the Committee:

The New Hampshire Timberland Owners Association (NHTOA) appreciates the opportunity to voice our support for Senate Bill 113.

Founded in 1911, the NHTOA represents forest landowners and the forest products industry in New Hampshire. This sector of New Hampshire's economy represents the third-largest sector of manufacturing in the state. The forest products industry in New Hampshire employs more than 10,000 people directly, with an annual payroll of more than \$330 million. The foundation of this industry are New Hampshire's timberland owners and their forests. As the second most forested state in the country (according to the U.S. Forest Service), New Hampshire's forest sees an average of 2,500 timber harvests per year. These occur in every county and in almost every town and city. Unfortunately, due to the nature of our timber types and soils, two-thirds of these forests are growing low-grade timber (timber unable to produce quality lumber).

Senate Bill 113's support of New Hampshire's renewable portfolio standard (RPS) law's class 3 (existing biomass) and thermal power projects supports low-grade wood markets. Adoption of Senate Bill 113 would provide stability to the remaining operational power plants and incentives for the development of additional thermal projects.

Over the past two years New Hampshire has lost low-grade wood markets with the idling of 4 biomass power plants and the loss of a major pulp wood market with the explosion of the pulp/paper mill in Jay, Maine. In late 2020, using timber tax reports and biomass power plant consumption data I was able to estimate the loss of New Hampshire low-grade wood market at 1,255,176 tons. To put this in perspective in a typical year New Hampshire's total wood market (low-grade and high-grade wood products, all species) is between 3 and 3.5 million tons.

The immediate impacts from the loss of this market are being felt by the loggers and timberland owners. Unable to market low-grade timber these landowners and land managers are unable to economically improve forest health and vigor, and in many instances entire woodlots go unmanaged; weeding and thinning of diseased and malformed timber does not occur, weakening these woodlots both environmentally and ecologically. Worse, timber lots are sometimes "high-graded," where the logger "cuts the best and leaves the rest," resulting in genetically inferior timber stands with poor growing stock.

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


Growing Leadership for New Hampshire's Forests

By managing for healthier and more vigorous woodlots timber quality improves resulting in greater economic value to the landowner, forest products businesses and local community.

Second to feel the impact from the loss of low-grade wood markets are New Hampshire's solid wood processing facilities (a.k.a. sawmills). New Hampshire's 50 sawmills support 2,593 jobs and generate \$447.7 million annually in economic activity. The impact on sawmills from the loss of low-grade wood markets is three-fold. First, these mills need markets for their chipped slabs. An average size Eastern White Pine Sawmill produces eight to eleven tractor trailer loads of wood chips per week. These have traditionally gone to paper mills and biomass power plants. With the power plants idling, mill chips are traveling further and what was once considered a product (asset) has now become a disposal issue (liability). The second impact felt by sawmills is procuring saw logs. With loggers downsizing and fewer acres seeing management, sawmills are either decreasing production (to match lower log supply) or spend more transporting logs from neighboring states. The third impact is a long-term impact -- future saw log quality. With the loss of low-grade wood markets performing sustainable forestry to improve forest health and timber quality is more difficult. This impact will be felt 20, 30 or 50 years from now as timber stands that should be thinned and improved now are not.

Although as I mention above, passage of Senate Bill 113 would provide much needed stability to a large sector of the state's forest products industry, at this time we request the committee honor the sponsor's request and retain this bill. This will enable the NHTOA and the forest products industry to seek other solutions to stabilize the state's low-grade wood markets and should legislative assistance be necessary SB 113 will be an eligible vehicle.

Thank you,



Jason A. Stock
Executive Director

SB 113 - AS INTRODUCED

2021 SESSION

21-0901
10/06

SENATE BILL **113**

AN ACT relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits.

SPONSORS: Sen. Bradley, Dist 3; Sen. Watters, Dist 4; Sen. Giuda, Dist 2; Sen. Perkins Kwoka, Dist 21; Rep. Gordon, Graf. 9; Rep. Pearl, Merr. 26; Rep. Merner, Coos 7; Rep. Lang, Belk. 4

COMMITTEE: Energy and Natural Resources

ANALYSIS

This bill sets the alternative compliance payment at \$55 per megawatt hour to the renewable energy fund for electric distribution utility requirements not satisfied by renewable energy credits. This bill also changes the rate adjustments for certain class obligations.

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

21-0901
10/06

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to the alternative compliance payments for renewable energy obligations not met through the purchase of renewable energy credits.

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

1 Findings and Purpose. The general court hereby finds that renewable energy policies should be technology neutral, so that one resource is not arbitrarily favored over another.

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

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

3 Electric Renewable Portfolio Standards; Renewable Energy Fund. Amend RSA 362-F:10, II-III to read as follows:

II. In lieu of meeting the portfolio requirements of RSA 362-F:3 for a given year if, and to the extent sufficient certificates are not otherwise available at a price below the amounts specified in this paragraph, an electricity provider may, at the time of report submission for that year under RSA 362-F:8, make payment to the commission at the following rates for each megawatt-hour not met for a given class obligation through the acquisition of certificates:

(a) Class I-\$55, except for that portion of the class electric renewable portfolio standards to be met by qualifying renewable energy technologies producing useful thermal energy under RSA 362-F:3 which shall be ~~[\$25]~~ ***\$55*** beginning January 1, ~~[2019]~~ ***2021***.

(b) Class II-\$55.

(c) Class III-~~[\$91.50]~~ **\$55 beginning January 1, 2021.**

(d) Class IV-~~[\$26.50]~~ **\$55 beginning January 1, 2021**

III.(a) Beginning in 2013 **for Class I (except for useful thermal energy under RSA 362-F:3) and Class II, and beginning in 2022 for Class I qualifying renewable energy technologies producing useful thermal energy under RSA 362-F:3, Class III, and Class IV,** the commission shall adjust these rates by January 31 of each year using *1/2 of* the Consumer Price Index as published by the Bureau of Labor Statistics of the United States Department of Labor ~~[for classes III and IV and 1/2 of such Index for classes I and II].~~

(b) ~~[In lieu of the adjustments under subparagraph (a) for class III in 2015 and 2016, the class rate in each of those years shall be \$45. In lieu of the adjustments under subparagraph (a) for class III in 2017, 2018, and 2019, the class rate in each of those years shall be \$55.~~

~~(c) By January 31, 2020 the commission shall compute the 2020 class III rate to equal the rate that would have resulted in 2020 by the application of subparagraph (a) to the 2013 rate and each subsequent year's rate to 2020.~~

~~(d) In 2021 and thereafter, the class III rate shall be determined by application of subparagraph (a) to the prior year's rate] **The 2020 class rates for all classes are those in effect on December 1, 2020 as posted by the commission.**~~

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