### LEGISLATIVE COMMITTEE MINUTES

## **SB151**

# Bill as Introduced

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#### SB 151-FN - AS INTRODUCED

#### 2021 SESSION

21-0862 10/06

SENATE BILL 151-FN

AN ACT relative to renewable energy procurement.

SPONSORS: Sen. Watters, Dist 4; Sen. Perkins Kwoka, Dist 21; Sen. Sherman, Dist 24; Sen. Rosenwald, Dist 13; Sen. Soucy, Dist 18; Rep. Cushing, Rock. 21

COMMITTEE: Energy and Natural Resources

#### ANALYSIS

This bill establishes a program for the procurement of renewable energy and the financing of offshore wind energy generation resources in New Hampshire, upon recommendation of the renewable energy procurement commission established in the bill, through the solicitation and development of long-term contracts with distribution companies by the public utilities commission.

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removed from current law appears [in brackets and struckthrough.]Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 151-FN - AS INTRODUCED

#### 21-0862 10/06

#### STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to renewable energy procurement. Be it Enacted by the Senate and House of Representatives in General Court convened: 1 New Subdivision; Renewable Energy Procurement. Amend RSA 362-F by inserting after 1  $\mathbf{2}$ section 15 the following new subdivision: **Renewable Energy Procurement** 3 4 362-F:16 Definitions. In this subdivision:  $\mathbf{5}$ I. "Clean energy generation" means either: (a) firm service hydroelectric generation from hydroelectric generation alone; (b) new Class I RPS eligible resources that are firmed up with firm 6 7 service hydroelectric generation; or (c) new Class I renewable portfolio standard eligible resources, 8 Class II, Class III, and Class IV. II. "Firm service hydroelectric generation" means hydroelectric generation provided without 9 10 interruption for one or more discrete periods designated in a long-term contract, including but not limited to multiple hydroelectric run-of-the-river generation units managed in a portfolio that 11 creates firm service though the diversity of multiple units. 12III. "Long-term contract" means a contract for a period of 15 to 30 years for offshore wind 1314 energy generation or for clean energy generation. IV. "New Class I renewable portfolio standard eligible resources" means Class I renewable 1516energy offshore wind energy generation. V. "Class III", "Class III", and "Class IV" energy mean those terms as described and defined 17 in RSA 362:F:4. 18 VI. "Offshore wind developer" means a provider of electricity developed from an offshore 19 wind energy generation project that is located on the outer continental shelf. 20VII. "Offshore wind energy generation" means offshore electric generating resources derived 2122 from wind that are Class I renewable energy generating sources, have a commercial operations date 23on or after January 1, 2018, have been verified by the commission; and operate in a designated wind  $\mathbf{24}$ energy area for which an initial federal lease was issued on a competitive basis after January 1, 2015. 25VIII. "REPC" means the renewable energy procurement committee established in RSA 362-26F:20. 2728 362-F:17 Procurement. I. In order to facilitate the procurement of renewable energy and the financing of offshore 29 30 wind energy generation resources in the New Hampshire, not later than June 30, 2022, the renewable energy procurement committee (REPC) shall solicit proposals for offshore wind and other 31

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renewable resources; and, provided that reasonable proposals have been received, upon approval of 1  $\mathbf{2}$ the governor, shall select proposals for energy distribution company submission to the commission.

3 II. The timetable and method for solicitations of long-term contracts shall be proposed 4 jointly by the distribution companies and REPC using a competitive bidding process, and, upon 5 approval of the governor shall be subject to review and approval by the commission. The distribution 6 companies, in coordination with the REPC, shall consult with the attorney general regarding the 7 choice of solicitation methods. A solicitation may be coordinated and issued jointly with other New 8 England states within ISO-NE or entities designated by those states. The timetable and method for 9 solicitation, and selection of solicitation proposals of long-term contracts shall be determined by the REPC and selected proposals shall be subject to review and approval by the commission. A 10 11 solicitation may be coordinated and issued jointly with other New England states or entities 12designated by those states. The distribution companies may conduct, upon approval of the governor, 13 one or more competitive solicitations through a staggered procurement schedule developed by the 14 REPC and the electric distribution companies; provided, that if the REPC determines that 15 reasonable proposals were not received pursuant to a solicitation, the REPC may terminate the 16solicitation, and may require additional solicitations to fulfill the requirements of this section.

17 III. The distribution companies may conduct one or more competitive solicitations through a 18staggered procurement schedule developed by the distribution companies and the REPC; provided, 19 that the schedule shall ensure that the distribution companies enter into cost-effective long-term 20contracts for offshore wind energy generation and other renewable energy sources up to 21approximately 800 megawatts of aggregate nameplate capacity not later than June 30, 2023; and 22provided further, that solicitations in total shall seek proposals for no less than 600 megawatts of 23aggregate nameplate capacity of offshore wind energy generation resources, and associated  $\mathbf{24}$ transmission costs. Such solicitations may inclusively or separately include other renewable energy 25sources, including Class II, Class III, and Class IV.

 $\mathbf{26}$ IV. A staggered procurement schedule may be developed by the REPC. If the REPC, in 27 consultation with the distribution companies and the independent evaluator, determines that 28reasonable proposals were not received pursuant to a solicitation, the REPC may terminate the 29 solicitation, and may require additional solicitations to fulfill the requirements of this section.

30 V. A proposed long-term contract shall be subject to the review and approval of the 31 commission. As part of its approval process, the commission shall consider recommendations by the 32 attorney general, which shall be submitted to the commission within 45 days following the filing of a 33 proposed long-term contract with the commission. The commission shall consider the potential costs 34 and benefits of the proposed long-term contract under the criteria in this section and shall approve a 35proposed long-term contract within 90 days if the commission finds that the proposed contract is a 36 cost-effective mechanism for procuring reliable renewable energy on a long-term basis, taking into

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account the factors outlined in this section. A distribution company shall be entitled to cost recovery
 of payments made under a long-term contract approved under this section.

3 VI. In developing proposed long-term contracts, the distribution companies shall consider long-term contracts for renewable energy certificates for energy and for a combination of both 4 renewable energy certificates and energy. A distribution company may decline to pursue a proposal 5 if the proposal's terms and conditions would require the contract obligation to place an unreasonable 6 burden on the distribution company's balance sheet; provided, however, that the distribution 7 company shall take all reasonable actions to structure the contracts, pricing, or administration of the 8 products purchased under this section in order to prevent or mitigate an impact on the balance sheet 9 or income statement of the distribution company or its parent company, subject to the approval of 10 the commission; provided further, that mitigation shall not unreasonably increase costs to 11 ratepayers. If a distribution company deems all proposals to be unreasonable, the distribution 12 company shall, within 20 days of the date of its decision, submit a filing to the commission. The 13filing shall include, in the form and detail prescribed by the commission, documentation supporting 14 the distribution company's decision to decline the proposals. Following a distribution company's 15 filing, and within 3 months of the date of filing, the commission shall approve or reject the 16 distribution company's decision and may order the distribution company to reconsider any proposal. 17If distribution companies are unable to agree on a winning bid following a solicitation under this 18 section, the matter shall be submitted to the REPC which shall, in consultation with the 19 independent evaluator, issue a final, binding determination of the winning bid upon approval of the 20governor; provided, that the final contract executed shall be subject to review by the commission.  $\mathbf{21}$  $\mathbf{22}$ The REPC may require additional solicitations to fulfill the requirements of this section.

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VII. The commission shall adopt rules for this subdivision consistent with this section. The rules shall:

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(a) Allow offshore wind developers of offshore wind energy generation to submit
 proposals for long-term contracts consistent with this section;

(b) Require that a proposed long-term contract executed by the distribution companies
under a proposal be filed with, and approved by, the commission before becoming effective;

(c) Provide for an annual remuneration for the contracting distribution company up to
2.75 per cent of the annual payments under the contract to compensate the company for accepting
the financial obligation of the long-term contract, such provision to be acted upon by the commission
at the time of contract approval;

(d) Require associated transmission costs to be incorporated into a proposal; provided that, to the extent there are transmission costs included in a bid, the commission may authorize or require the contracting parties to seek recovery of such transmission costs of the project through federal transmission rates, consistent with policies and tariffs of the Federal Energy Regulatory Commission, to the extent the commission finds such recovery is in the public interest; and

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1	(e) Mitigate transmission costs, and avoid line loss, to the extent possible and ensure
2	that transmission cost overruns, if any, are not borne by ratepayers.
3	VIII. The distribution companies shall each enter into a contract with the winning bidders
4	for their apportioned share of the market products being purchased from the project. The
5	apportioned share shall be calculated and based upon the total energy demand from all distribution
6	customers in each service territory of the distribution companies.
7	IX. Upon the approval of a proposal by the commission, the electric distribution company
8	shall have exclusive authority and control over power purchase agreement contracts, which shall be
9	completed within 90 days.
10	362-F:18 Public Utilities Commission Evaluation Criteria.
11	I. Agreements can be approved if the commission determines that the clean energy resources
12	to be used by a developer under the proposal meet the following criteria:
13	(a) Provide adequate energy with enhanced electricity distribution reliability, where
14	there is a clear public need, including, but not limited to a just and reasonable price over the term of
15	the contract;
16	(b) Contribute to reducing winter electricity price spikes;
17	(c) Are cost effective to electric ratepayers in New Hampshire over the term of the
18	contract taking into consideration potential economic benefits, and greenhouse gas emission
19	reductions and other health and environmental benefits to the ratepayers, and, where feasible,
20	create and foster employment and economic development in New Hampshire;
<b>21</b>	(d) Avoid line loss and mitigate transmission costs to the extent possible and ensure that
<b>22</b>	transmission cost overruns, if any, are not borne by ratepayers;
23	(e) Are commercially reasonable;
24	(f) Allow long-term contracts for clean energy generation resources to be paired with
25	energy storage systems;
26	(g) Guarantee energy delivery in winter months;
27	(h) Adequately demonstrate project viability and that the respondent (bidder) has the
28	technical, financial, and managerial capabilities to perform in a commercially reasonable timeframe;
29	(i) Whether the proposal uses practices to avoid, minimize, and mitigate impacts to
30	wildlife, natural resources, ecosystems and traditional or existing water-dependent uses, including,
31	but not limited to, commercial and recreational fishing and transit lanes; and
32	(j) Creates energy diversity for New Hampshire's electricity supply.
33	II. For purposes of this section, "commercially reasonable" means terms and pricing that are
34	reasonably consistent with what an experienced power market analyst would expect to see in
35	transactions involving regional-energy resources and regional-energy infrastructure. Commercially
36	reasonable shall include having a credible project operation date, contingent on final permitting, as
37	determined by the commission. Commercially reasonable shall require a determination by the

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commission that the benefits to New Hampshire exceed the cost of the project. The commission shall 1 2 determine, based on the preponderance of the evidence, that the total energy security, reliability, environmental, and economic benefits to the state of New Hampshire and it s ratepayers exceed the 3 costs of such projects. If there is a dispute about whether any terms or pricing are commercially 4  $\mathbf{5}$ reasonable, the commission shall make the final determination after evidentiary hearings.

III. A proposed long-term contract shall be subject to the review and approval of the 6 7 commission. As part of its approval process, the commission shall consider recommendations by the attorney general, which shall be submitted to the commission within 45 days following the filing of 8 such contracts with the commission. The commission shall consider both the potential costs and 9 10 benefits of such contracts and shall approve a contract only upon a finding that it is a cost effective 11 mechanism for procuring low cost renewable energy on a long-term basis taking into account the 12factors outlined in the REPC selection process.

IV. A long-term contract procured under this subdivision shall utilize an appropriate 13 tracking system to ensure a unit specific accounting of the delivery of clean energy, to enable the 14 REPC to accurately measure progress in achieving the goals of this section. 15

16 V. The REPC and the commission may jointly develop requirements for a bond or other security to ensure performance with requirements under this section. If this section is subjected to a 17 legal challenge, the commission may suspend the applicability of the challenged provision during the 18 19 pendency of the action until a final resolution, including any appeals, is obtained and shall issue an 20 order and take other actions as are necessary to ensure that the provisions not subject to the challenge are implemented expeditiously to achieve the public purposes of this section. 21

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362-F:19 Renewable Energy Credits.

23I. A distribution company may elect to use any energy purchased under such contracts for  $\mathbf{24}$ sale to its customers and may elect to retain renewable energy certificates to meet the applicable annual renewable portfolio standard requirements under RSA 362-F:6. If the energy and renewable 25energy certificates are not so used, the distribution companies shall sell the purchased energy into  $\mathbf{26}$ 27the wholesale market and, provided that the commission has not notified the distribution company that the renewable energy certificates should be retained to facilitate reaching emission reduction  $\mathbf{28}$ 29 targets pursuant to RSA 362-F:3, shall sell the purchased renewable energy certificates to minimize 30 the costs to ratepayers under the contract; provided, however, that the commission shall conduct periodic reviews to determine the impact on the energy and renewable energy certificate markets of 31 32 the disposition of energy and renewable energy certificates under this section. If a distribution company sells the purchased energy into the wholesale market and sells the renewable energy 33  $\mathbf{34}$ certificates, the distribution company shall net the cost of payments made to projects under the long-35 term contracts against the net proceeds obtained from the sale of energy and renewable energy certificates, and the difference shall be credited or charged to all distribution customers through a 36

uniform fully reconciling annual factor in distribution rates, subject to review and approval of thecommission.

II. If a distribution company sells the purchased energy into the wholesale spot market and auctions the renewable energy certificates as described in this section, the distribution company shall net the cost of payments made to projects under the long-term contracts against the net proceeds obtained from the sale of energy and renewable energy certificates, and the difference shall be credited or charged to all distribution customers through a uniform fully reconciling annual factor in distribution rates, subject to review and approval of the commission.

9 III. The commission shall conduct periodic reviews to determine the impact on the energy 10 and renewable energy certificate markets of the disposition of energy and renewable energy 11 certificates under this section and may issue reports recommending legislative changes if it 12 determines that actions are being taken that will adversely affect the energy and renewable energy 13 certificate markets.

362-F:20 Renewable Energy Procurement Committee. There is established the renewable
 energy procurement committee (REPC).

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I. The REPC shall consist of the following members:

17 (a) An individual familiar with New Hampshire energy distribution and economic18 development, who shall serve as chair, appointed by the governor.

19 20 (b) The commissioner of the department of business and economic affairs, or designee.

(c) The commissioner of the department of environmental services, or designee.

21 (d) The executive director of the fish and game department, or designee.

22 (e) The New Hampshire consumer advocate.

23 (f) One representative of energy distribution companies, appointed by the governor.

24 (g) One representative of labor, appointed by the president of the NH AFL-CIO.

25 (h) One representative of commercial or recreational fisheries, appointed by the 26 governor.

(i) An attorney from the department of justice, designated by the attorney general, with
experience in energy procurement, who shall serve in a nonvoting, advisory capacity to the
committee.

II. Members of the REPC shall serve without compensation. Appointed members shall each
 serve a term of 3 years.

32 III. The REPC shall, in coordination with other states in the control area of the regional 33 independent system operator, in coordination with states in a neighboring control area or on behalf 34 of New Hampshire alone, solicit proposals, in one solicitation or multiple solicitations, from 35 providers of renewable energy, in accordance with RSA 362-F:17, and select proposals for electric 36 distribution company submission to the commission.

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1 IV. In solicitation and selection of proposals, the REPC shall require selected bidders to 2 include a plan to engage in a good faith negotiation of a project labor agreement for laborers, workers, and mechanics performing construction activities within the United States with respect to 3 4 the project. Any solicitation issued pursuant to this section shall specify the minimum terms that 5 such project labor agreements shall address.

V. In responding to any solicitations issued pursuant to this section, a bidder may include 6 7 such bidder's plans for the use of skilled labor, including, but not limited to, for any construction and 8 manufacturing components of the proposal including any outreach, hiring, and referral systems, or 9 any combination thereof, that are affiliated with an apprenticeship training program and other 10 workforce development education and training programs recognized by the New Hampshire 11 department employment security.

12 VI. VI. In responding to any solicitations issued pursuant to this section that involve activities in New Hampshire, including state waters, a bidder shall demonstrate that it has prepared 13 or will prepared for the Bureau of Ocean Energy Management an environmental, fisheries, and 14 15 transit lanes mitigation plan for the construction and operation of such offshore wind facilities, 16 provided such plan shall include, but not be limited to, an explicit description of the best management practices the bidder will employ that are informed by the latest science at the time the 17proposal is made that will avoid, minimize, and mitigate any impacts to wildlife, natural resources, 18 ecosystems, and traditional or existing water-dependent uses, including, but not limited to, 19 commercial and recreational fishing, and transit lanes. For each solicitation issued pursuant to this 20  $\mathbf{21}$ section, the commissioner of the department of environmental services and the executive director of the New Hampshire fish and game department shall inform the REPC concerning its input to the 2223bidder on best practices for avoiding, minimizing, and mitigating any impacts to wildlife, natural  $\mathbf{24}$ resources, ecosystems, and traditional or existing water-dependent uses, including, but not limited 25to, commercial and recreational fishing, and transit lanes, during the construction and operation of 26 facilities eligible pursuant to this section.

The REPC shall select, and the commission shall contract with, an independent 27VII.  $\mathbf{28}$ evaluator to monitor and report on the solicitation and bid selection process in order to assist the  $\mathbf{29}$ REPC in determining whether a proposal received pursuant to this section is reasonable and to be 30 selected for submission to the commission in its consideration of long-term contracts filed for approval. To ensure an open, fair, and transparent solicitation, and a bid selection process that is 31not unduly influenced by an affiliated company, the independent evaluator shall issue a report to the 3233 commission analyzing the timetable and method of solicitation and the solicitation process implemented by the distribution companies and the REPC and include recommendations, if any, for 34 improving the process. Upon the opening of an investigation by the commission into a proposed 35 long-term contract for a winning bid proposal, the independent evaluator shall file a report with the 36 37 commission summarizing and analyzing the solicitation and the bid selection process, and providing

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1 its independent assessment of whether all bids were evaluated in a fair and non-discriminatory 2 manner. The independent evaluator shall have access to all information and data related to the 3 competitive solicitation and bid selection process necessary to fulfill the purposes of this subsection, 4 but shall ensure all proprietary information remains confidential. The commission shall consider 5 the findings of the independent evaluator and may adopt recommendations made by the independent 6 evaluator as a condition for approval. If the independent evaluator concludes in the findings that  $\mathbf{7}$ the solicitation and bid selection of a long-term contract was not fair and objective and that the 8 process was substantially prejudiced as a result, the commission shall reject the contract.

9 VIII. The REPC shall consult interested parties and provide opportunities for submission of
10 information in public meetings or other means by members of the public in the process of solicitation
11 of proposals.

12 IX. The representatives of energy distribution companies on the REPC shall not participate13 in the selection of procurement proposals.

14 X. The REPC shall report on its activities annually to the governor, the senate president, 15 the speaker of the house of representatives, and to the commission on offshore wind and port 16 development established in RSA 374-F:10.

17 XI. All reasonable costs associated with the REPC solicitation and review of proposals 18 pursuant to this section shall be recoverable through the same fully reconciling rate component for 19 all customers of the electric distribution companies.

20 362-F:21 Energy and Capacity Requirements Report. On or before January 1, 2022, and 21 biennially thereafter, the commission, in consultation with the electric distribution companies, shall 22 prepare an assessment of:

23 24 I. The energy and capacity requirements of customers for the next 5 years.

II. The manner of and how best to manage growth in electric demand.

III. How best to level electric demand in the state by reducing peak demand and shifting
demand to off-peak periods.

IV. The impact of current and projected environmental standards, including, but not limited to, those related to greenhouse gas emissions and the federal Clean Air Act goals and how different resources could help achieve those standards and goals.

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V. Energy security and economic risks associated with potential energy resources.

- 31 VI. The estimated lifetime cost and availability of potential energy resources.
- 32 2 Effective Date. This act shall take effect 60 days after its passage.

LBA 21-0862 2/8/21

#### SB 151-FN- FISCAL NOTE AS INTRODUCED

#### AN ACT relative to renewable energy procurement.

#### FISCAL IMPACT:

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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** 

03/18/2021 0795s

#### SB 151-FN - AS AMENDED BY THE SENATE

#### 2021 SESSION

21-0862 10/06

SENATE BILL	151-FN
AN ACT	relative to renewable energy procurement.
SPONSORS:	Sen. Watters, Dist 4; Sen. Perkins Kwoka, Dist 21; Sen. Sherman, Dist 24; Sen. Rosenwald, Dist 13; Sen. Soucy, Dist 18; Rep. Cushing, Rock. 21
COMMITTEE:	Energy and Natural Resources

#### AMENDED ANALYSIS

This bill establishes a program for the procurement of renewable energy and the financing of offshore wind energy generation resources in New Hampshire, upon recommendation of the renewable energy procurement commission established in the bill, through the solicitation and development of contracts with distribution companies by the public utilities commission.

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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 renewable energy procurement.

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

1 1 New Subdivision; Renewable Energy Procurement. Amend RSA 362-F by inserting after 2 section 15 the following new subdivision: 3 **Renewable Energy Procurement** 4 362-F:16 Definitions. In this subdivision:  $\mathbf{5}$ I. "Benefits to New Hampshire's economy" includes but is not limited to capital investments 6 by the renewable energy generation facility, employment resulting from the clean energy generation 7 facility; payment by the clean energy generation facility to a host community, or the state of New 8 Hampshire, whether or not required by law or rule; and, purchase of goods and services by the clean 9 energy generation facility, from New Hampshire and other domestic sources. 10 II. "Class I," "Class II", "Class III", and "Class IV" energy mean those terms as described and 11 defined in RSA 362:F:4. 12III. "Clean energy generation" means Class I including offshore wind energy generation, 13 Class II, Class III, and Class IV. 14 IV. "Contract" means a contract for generation of renewable portfolio standard resource for a 15period of up to 30 years. 16 V. "Offshore wind developer" means a provider of electricity developed from an offshore wind energy generation project that is located on the outer continental shelf. 17 18 VI. "Offshore wind energy generation" means offshore electric generating resources derived 19 from wind that are Class I renewable energy generating sources, have a commercial operations date 20 on or after January 1, 2018, have been verified by the commission; and operate in a designated wind 21 energy area for which an initial federal lease was issued on a competitive basis after January 1,  $\mathbf{22}$ 2015. 23VII. "REPC" means the renewable energy procurement committee established in RSA 362-24 F:20. 25362-F:17 Procurement. I. In order to facilitate the procurement of renewable energy generation and the financing of  $\mathbf{26}$ offshore wind energy generation resources not later than June 30, 2023, or a date determined by the  $\mathbf{27}$ 28 governor, the renewable energy procurement committee (REPC) shall solicit proposals for offshore 29 wind energy generation and other renewable energy generation resources; and, provided that 30 reasonable proposals have been received, the REPC shall select proposals for energy distribution

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company submission to the commission. Such submission shall occur following approval of the
 governor.

II. The timetable and method for solicitations of procurement contracts using a competitive bidding process shall be proposed jointly by the distribution companies and REPC, and, upon approval by the governor, shall be subject to review and approval by the commission. The distribution companies, in coordination with the REPC, shall consult with the attorney general regarding the choice of solicitation methods. A solicitation may be coordinated and issued jointly with other New England states within ISO-NE or entities designated by those states.

9 III. The REPC and distribution companies may conduct, upon approval of the governor, one 10or more competitive solicitations through a staggered procurement schedule developed by the 11 distribution companies and the REPC; provided, that the schedule shall ensure that the distribution 12companies enter into cost-effective contracts for offshore wind energy generation and other 13 renewable energy generation sources up to approximately 800 megawatts of aggregate nameplate 14 capacity not later than June 30, 2028 and provided further, that solicitations in total shall seek 15proposals for no less than 600 megawatts of aggregate nameplate capacity of offshore wind energy 16generation resources, and associated transmission costs. Such solicitations may inclusively or 17separately include other renewable energy sources, including Class II, Class III, and Class IV.

18 IV. A staggered procurement schedule may be developed by the REPC. If the REPC, in 19 consultation with the distribution companies and the independent evaluator, determines that 20 reasonable proposals were not received pursuant to a solicitation, the REPC may terminate the 21 solicitation, and may require additional solicitations to fulfill the requirements of this section.

22V. A proposed contract shall be subject to the review and approval of the commission. As 23 part of its approval process, the commission shall consider recommendations by the attorney general.  $\mathbf{24}$ which shall be submitted to the commission within 45 days following the filing of a proposed contract 25with the commission. The commission shall consider the potential cost effectiveness of the proposed 26 contract under the criteria in this section and shall approve a proposed contract within 90 days if the 27commission finds that the proposed contract is a cost-effective mechanism for procuring renewable 28energy on a long-term basis, taking into account the factors outlined in this section. A distribution 29 company shall be entitled to cost recovery of payments made under a contract approved under this 30 section.

VI. In developing proposed contracts, the distribution companies shall consider contracts for renewable energy and renewable energy certificates individually and for a combination of both renewable energy certificates and energy. A distribution company may decline to pursue a proposal if the proposal's terms and conditions would require the contract obligation to place an unreasonable burden on the distribution company's balance sheet; provided, however, that the distribution company shall take all reasonable actions to structure the contracts, pricing, or administration of the products purchased under this section in order to prevent or mitigate an impact on the balance sheet

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or income statement of the distribution company or its parent company, subject to the approval of 1 2 the commission; provided further, that mitigation shall not unreasonably increase costs to 3 ratepayers. If a distribution company and the REPC deem all proposals to be unreasonable, the 4 distribution company shall, within 20 days of the date of its decision, submit a filing to the 5 commission. The filing shall include, in the form and detail prescribed by the commission, documentation supporting the REPC and distribution company's decision to decline the proposals. 6 7Following a distribution company's filing, and within 3 months of the date of filing, the commission 8 shall approve or reject the distribution company's decision and may order the distribution company 9 to reconsider any proposal. If distribution companies are unable to agree on a winning bid following 10 a solicitation under this section, the matter shall be submitted to the REPC which shall, in consultation with the independent evaluator, issue a final, binding determination of the winning bid 11 12upon approval of the governor; provided, that the final contract executed shall be subject to review 13by the commission. The REPC may require additional solicitations to fulfill the requirements of this  $\mathbf{14}$ section.

15 16 VII. The commission shall adopt rules for this subdivision consistent with this section by June 30 2023. The rules shall:

17 (a) Allow solicitation respondents to submit proposals for contracts consistent with this18 section.

(b) Require that a proposed contract executed by the distribution companies under aproposal be filed with, and approved by, the commission before becoming effective.

(c) Provide criteria for evaluation and approval of annual remuneration for the
 contracting distribution company of 2.75 per cent of the annual payments under the contract to
 compensate the company for accepting the financial obligation of the contract, such provision to be
 acted upon by the commission at the time of contract approval.

25 (d) Require associated transmission costs to be incorporated into a proposal; provided 26 that, to the extent there are transmission costs included in a bid, the commission may authorize or 27 require the contracting parties to seek recovery of such transmission costs of the project through 28 federal transmission rates, consistent with policies and tariffs of the Federal Energy Regulatory 29 Commission, to the extent the commission finds such recovery is in the public interest.

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(e) Require the mitigation of transmission costs, and avoidance of line loss, to the extent possible and ensure that transmission cost overruns, if any, are not borne by ratepayers.

VIII. The distribution companies shall each enter into a contract with the winning bidders for their apportioned share of the market products being purchased from the project. The apportioned share shall be calculated and based upon the total default service energy demand from all distribution customers in each service territory of the distribution companies.

#### SB 151-FN - AS AMENDED BY THE SENATE - Page 4 -

1 IX. Upon the approval of a proposal by the commission, the electric distribution company 2 shall have exclusive authority and control over power purchase agreement contracts, which shall be 3 completed within 90 days.

362-F:18 Public Utilities Commission Evaluation Criteria.

5 I. Agreements can be approved if the commission determines that the clean energy resources 6 to be used by a developer under the proposal meet the following criteria:

- 7 (a) Provide adequate energy with enhanced electricity distribution reliability, where 8 there is a clear public need, including, but not limited to a just and reasonable price over the term of 9 the contract;
- 10

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(b) Contribute to reducing winter electricity price spikes;

(c) Are cost effective to electric ratepayers in New Hampshire over the term of the contract taking into consideration potential economic benefits, as defined in RSA 362-F:16, I, greenhouse gas and other polluting emission reductions and other health and environmental benefits to the ratepayers, and, where feasible, create and foster employment and economic development in New Hampshire, as defined in RSA 362-F:16, I.

(d) Avoid line loss and mitigate transmission costs to the extent possible and ensure that
 transmission cost overruns, if any, are not borne by ratepayers;

18

(e) Are commercially reasonable;

19 (f) Allow contracts for clean energy generation resources to be paired with energy20 storage systems;

 $\mathbf{21}$ 

(g) Address reliable energy delivery in winter months;

22 (h) Adequately demonstrate project viability and that the respondent (bidder) has the 23 technical, financial, and managerial capabilities to perform in a commercially reasonable timeframe;

(i) Whether the proposal uses practices to avoid, minimize, and mitigate impacts to
wildlife, natural resources, ecosystems and traditional or existing water-dependent uses, including,
but not limited to, commercial and recreational fishing and transit lanes; and

27

(j) Creates energy diversity for New Hampshire's electricity supply.

28 II. For purposes of this section, "commercially reasonable" means terms and pricing that are 29 reasonably consistent with what an experienced power market analyst would expect to see in 30 transactions involving regional energy resources and regional energy infrastructure. Commercially 31 reasonable shall include having a credible project operation date, contingent on final permitting, as 32 determined by the commission. Commercially reasonable shall require a determination by the 33 commission that the benefits to New Hampshire exceed the cost of the project. The commission shall 34 determine, based on the preponderance of the evidence, that the total energy security, reliability, 35 environmental, and economic benefits to the state of New Hampshire and it s ratepayers exceed the 36 costs of such projects. If there is a dispute about whether any terms or pricing are commercially 37 reasonable, the commission shall make the final determination after evidentiary hearings.

#### SB 151-FN - AS AMENDED BY THE SENATE - Page 5 -

1 III. A proposed contract shall be subject to the review and approval of the commission. As 2 part of its approval process, the commission shall consider recommendations by the attorney general, 3 which shall be submitted to the commission within 45 days following the filing of such contracts with 4 the commission. The commission shall consider both the potential costs and benefits of such 5 contracts and shall approve a contract only upon a finding that it is a cost effective mechanism for 6 procuring renewable energy generation on a long-term basis taking into account the factors outlined 7 in the REPC selection process.

8 IV. A contract procured under this subdivision shall utilize an appropriate tracking system 9 to ensure a unit specific accounting of the delivery of clean energy, to enable the REPC to accurately 10 measure progress in achieving the goals of this section.

V. The REPC and the commission may jointly develop requirements for a bond or other security to ensure performance with requirements under this section. If this section is subjected to a legal challenge, the commission may suspend the applicability of the challenged provision during the pendency of the action until a final resolution, including any appeals, is obtained and shall issue an order and take other actions as are necessary to ensure that the provisions not subject to the challenge are implemented expeditiously to achieve the public purposes of this section.

17

362-F:19 Renewable Energy Credits.

18 I. A distribution company may elect to use any energy purchased under such contracts for 19 sale to its customers and may elect to retain renewable energy certificates to meet the applicable 20annual renewable portfolio standard requirements under RSA 362-F:6. If the energy and renewable  $\mathbf{21}$ energy certificates are not so used, the distribution companies shall sell the purchased energy into  $\mathbf{22}$ the wholesale market and, provided that the commission has not notified the distribution company 23that the renewable energy certificates should be retained to facilitate reaching emission reduction  $\mathbf{24}$ targets pursuant to RSA 362-F:3, shall sell the purchased renewable energy certificates to minimize 25the costs to ratepayers under the contract. If a distribution company sells the purchased energy into 26the wholesale market and sells the renewable energy certificates, the distribution company shall net the cost of payments made to projects under the contracts against the net proceeds obtained from the 27 sale of energy and renewable energy certificates, and the difference shall be credited or charged to 28 29 all distribution customers through a uniform fully reconciling annual factor in distribution rates. 30 subject to review and approval of the commission.

II. If a distribution company sells the purchased energy into the wholesale spot market and auctions the renewable energy certificates as described in this section, the distribution company shall net the cost of payments made to projects under the contracts against the net proceeds obtained from the sale of energy and renewable energy certificates, and the difference shall be credited or charged to all distribution customers through a uniform fully reconciling annual factor in distribution rates, subject to review and approval of the commission.

#### SB 151-FN - AS AMENDED BY THE SENATE - Page 6 -

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1	III. The commission shall conduct periodic reviews to determine the impact on the energy
2	and renewable energy certificate markets of the disposition of energy and renewable energy
3	certificates under this section and may issue reports recommending legislative changes if it
4	determines that actions are being taken that will adversely affect the energy and renewable energy
5	certificate markets.
6	362-F:20 Renewable Energy Procurement Committee. There is established the renewable
7	energy procurement committee (REPC).
8	I. The REPC shall consist of the following members:
9	(a) An individual familiar with New Hampshire energy distribution and economic
10	development, who shall serve as chair, appointed by the governor.
11	(b) The commissioner of the department of business and economic affairs, or designee.
12	(c) The commissioner of the department of environmental services, or designee.
13	(d) The executive director of the fish and game department, or designee.
14	(e) One representative of energy distribution companies, appointed by the governor.
15	(f) One representative of labor, appointed by the president of the NH AFL-CIO.
16	(g) One representative of commercial or recreational fisheries, appointed by the
17	governor.
18	(h) An attorney from the department of justice, designated by the attorney general, with
19	experience in energy procurement, who shall serve in a nonvoting, advisory capacity to the
20	committee.
21	II. Members of the REPC shall serve without compensation. Appointed members shall each
22	serve a term of 3 years.
<b>2</b> 3	III. The REPC shall, in coordination with other states in the control area of the regional
24	independent system operator, in coordination with states in a neighboring control area or on behalf
25	of New Hampshire alone, solicit proposals, in one solicitation or multiple solicitations, from
26	providers of renewable energy, in accordance with RSA 362-F:17, and select proposals for electric
27	distribution company submission to the commission.
28	IV. In solicitation and selection of proposals for offshore wind development, the REPC shall
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30	agreement for laborers, workers, and mechanics performing construction activities within the United
31	States with respect to the project. Any solicitation issued pursuant to this section shall specify the

32 minimum terms that such project labor agreements shall address.

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V. In responding to any solicitations issued pursuant to this section, a bidder may include such bidder's plans for the use of skilled labor, including, but not limited to, for any construction and manufacturing components of the proposal including any outreach, hiring, and referral systems, or any combination thereof, that are affiliated with an apprenticeship training program and other

#### SB 151-FN - AS AMENDED BY THE SENATE - Page 7 -

workforce development education and training programs recognized by the New Hampshire
 department employment security.

3 VI. In responding to any solicitations issued pursuant to this section that involve activities 4 in New Hampshire, including state waters, a bidder shall demonstrate that it has prepared or will 5 prepared for the Bureau of Ocean Energy Management an environmental, fisheries, and transit 6 lanes mitigation plan for the construction and operation of such offshore wind facilities, provided 7 such plan shall include, but not be limited to, an explicit description of the best management 8 practices the bidder will employ that are informed by the latest science at the time the proposal is 9 made that will avoid, minimize, and mitigate any impacts to wildlife, natural resources, ecosystems, 10 and traditional or existing water-dependent uses, including, but not limited to, commercial and 11 recreational fishing, and transit lanes. For each solicitation issued pursuant to this section, the 12commissioner of the department of environmental services and the executive director of the New 13 Hampshire fish and game department shall inform the REPC concerning its input to the bidder on 14 best practices for avoiding, minimizing, and mitigating any impacts to wildlife, natural resources, 15ecosystems, and traditional or existing water-dependent uses, including, but not limited to, 16 commercial and recreational fishing, and transit lanes, during the construction and operation of 17 facilities eligible pursuant to this section.

18 VII. The REPC shall select, and the commission shall contract with, an independent 19 evaluator to monitor and report on the solicitation and bid selection process in order to assist the 20 REPC in determining whether a proposal received pursuant to this section is reasonable and to be  $\mathbf{21}$ selected for submission to the commission in its consideration of contracts filed for approval. To  $\mathbf{22}$ ensure an open, fair, and transparent solicitation, and a bid selection process that is not unduly 23influenced by an affiliated company, the independent evaluator shall issue a report to the 24 commission analyzing the timetable and method of solicitation and the solicitation process  $\mathbf{25}$ implemented by the distribution companies and the REPC and include recommendations, if any, for  $\mathbf{26}$ improving the process. Upon the opening of an investigation by the commission into a proposed 27 contract for a winning bid proposal, the independent evaluator shall file a report with the 28 commission summarizing and analyzing the solicitation and the bid selection process, and providing 29 its independent assessment of whether all bids were evaluated in a fair and non-discriminatory 30 manner. The independent evaluator shall have access to all information and data related to the 31 competitive solicitation and bid selection process necessary to fulfill the purposes of this subsection, 32but shall ensure all proprietary information remains confidential. The commission shall consider 33 the findings of the independent evaluator and may adopt recommendations made by the independent 34 evaluator as a condition for approval. If the independent evaluator concludes in the findings that 35 the solicitation and bid selection of a contract was not fair and objective and that the process was 36 substantially prejudiced as a result, the commission shall reject the contract. The public utilities'

#### SB 151-FN - AS AMENDED BY THE SENATE - Page 8 -

1 cost of evaluation shall be directly assessed to the state's distribution utilities and the New  $\mathbf{2}$ Hampshire Electric Cooperative as authorized by the public utilities commission. VIII. The REPC shall consult interested parties and provide opportunities for submission of

3 4 information in public meetings or other means by members of the public in the process of solicitation 5 of proposals.

6

IX. The representatives of energy distribution companies on the REPC shall not participate 7 in the selection of procurement proposals.

8

X. The REPC shall report on its activities annually to the governor, the senate president, 9 the speaker of the house of representatives, and to the commission on offshore wind and port 10 development established in RSA 374-F:10.

11 XI. All reasonable costs associated with the REPC solicitation and review of proposals 12pursuant to this section shall be recoverable through the same fully reconciling rate component for 13 all customers of the electric distribution companies.

14 362-F:21 Energy and Capacity Requirements Report. On or before January 1, 2022, and 15biennially thereafter, the commission, in consultation with the electric distribution companies, shall 16 prepare an assessment of:

1718 I. The energy and capacity requirements of customers for the next 5 years.

II. The manner of and how best to manage growth in electric demand.

19 III. How best to level electric demand in the state by reducing peak demand and shifting 20demand to off-peak periods.

21IV. The impact of current and projected environmental standards, including, but not limited  $\mathbf{22}$ to, those related to greenhouse gas emissions and the federal Clean Air Act goals and how different 23resources could help achieve those standards and goals.

 $\mathbf{24}$ 25 V. Energy security and economic risks associated with potential energy resources.

VI. The estimated lifetime cost and availability of potential energy resources.

26 2 Effective Date. This act shall take effect 60 days after its passage.

LBA 21-0862 Amended 3/29/21

#### SB 151-FN- FISCAL NOTE AS AMENDED BY THE SENATE (AMENDMENT #2021-0795s)

AN ACT relative to renewable energy procurement.

FISCAL IMPACT: [X] State [X] County [X] Local [] None

Estimated Increase / (			ase / (Decrease)	
STATE:	FY 2021	FY 2022	FY 2023	FY 2024
Appropriation	\$0	\$0	\$0	\$0_
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Funding Source:	[X] General	[ ] Education	[ ] Highway	[X] Other -
L'unuing Source.	Various Governme	nt Funds 🚽 🚟 👾		

COUNTY:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

LOCAL:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

#### **METHODOLOGY:**

This bill establishes a program for the procurement of renewable energy and the financing of offshore wind energy generation resources in New Hampshire, upon recommendation of the renewable energy procurement commission established in the bill, through the solicitation and development of contracts with distribution companies by the public utilities commission.

The Public Utilities Commission states the fiscal impacts of this bill cannot be predicted. The Commission notes the bill could create considerable stranded costs, because of the difficulty of projecting energy costs into the future, and because the retail energy market is changing, and fewer and fewer customers may take default service from their distribution customers over the next twenty years, particularly with the development of community power, microgrids, and customer-owned generation. In addition, New England stakeholders are in the process of developing wholesale market designs that could make long term contracts for clean energy sources unnecessary and potentially uneconomic. The Commission indicates the bill has the potential to increase transmission costs paid by the State and local governments. There is too much uncertainty with regard to ISO transmission tariffs and their application to determine New Hampshire's cost allocation for the transmission required to bring the energy to the market. The Commission would be charged with contracting for an independent evaluator to monitor and report on the solicitation and bid process in order to assist the REPC in determining whether a proposal received pursuant to this section is reasonable and should be selected for submission to the Commission, and then to file a report with the Commission if a proposal is selected. The Commission assumes the cost of this contract will exceed \$100,000. In addition, the Commission would likely have to hire an environmental expert to make the environmental determinations necessary when reviewing the proposal. This contract is also expected to be in excess of \$100,000 in cost. Last, the bill requires the Commission to prepare an energy and capacity requirements report, which will in turn require the Commission to hire an environmental consultant at a cost expected be in excess of \$100,000 in cost every two years.

The Commission notes that it cannot directly assess distribution utilities for consultant costs that are not incurred in the context of a commission proceeding. Those costs would have to be funded from the general fund or from the Commission's general assessment, which would in turn require telecommunications companies and small water and sewer companies, and ultimately their rate payers, to fund large electric-related costs.

#### AGENCIES CONTACTED:

**Public Utilities Commission** 

03/18/2021 0795s

#### SB 151-FN - AS AMENDED BY THE SENATE

#### 2021 SESSION

21-0862 10/06

SENATE BILL	151-FN	ŗ
	TATIN	Ŧ

AN ACT relative to renewable energy procurement.

SPONSORS: Sen. Watters, Dist 4; Sen. Perkins Kwoka, Dist 21; Sen. Sherman, Dist 24; Sen. Rosenwald, Dist 13; Sen. Soucy, Dist 18; Rep. Cushing, Rock. 21

COMMITTEE: Energy and Natural Resources

## arces OTP/A 5-0

#### AMENDED ANALYSIS

This bill establishes a program for the procurement of renewable energy and the financing of offshore wind energy generation resources in New Hampshire, upon recommendation of the renewable energy procurement commission established in the bill, through the solicitation and development of contracts with distribution companies by the public utilities commission.

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.

#### 21-0862 10/06

#### STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to renewable energy procurement.

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

1 1 New Subdivision; Renewable Energy Procurement. Amend RSA 362-F by inserting after 2 section 15 the following new subdivision:

3

**Renewable Energy Procurement** 

4 362-F:16 Definitions. In this subdivision:

I. "Benefits to New Hampshire's economy" includes but is not limited to capital investments 5 by the renewable energy generation facility, employment resulting from the clean energy generation 6 facility; payment by the clean energy generation facility to a host community, or the state of New 7 Hampshire, whether or not required by law or rule; and, purchase of goods and services by the clean 8 9 energy generation facility, from New Hampshire and other domestic sources.

II. "Class I," "Class II", "Class III", and "Class IV" energy mean those terms as described and 10 11 defined in RSA 362:F:4.

12III. "Clean energy generation" means Class I including offshore wind energy generation, 13Class II, Class III, and Class IV.

IV. "Contract" means a contract for generation of renewable portfolio standard resource for a 14 15period of up to 30 years.

16 V. "Offshore wind developer" means a provider of electricity developed from an offshore wind 17 energy generation project that is located on the outer continental shelf.

18 VI. "Offshore wind energy generation" means offshore electric generating resources derived 19 from wind that are Class I renewable energy generating sources, have a commercial operations date 20 on or after January 1, 2018, have been verified by the commission; and operate in a designated wind 21 energy area for which an initial federal lease was issued on a competitive basis after January 1,  $\mathbf{22}$ 2015.

23VII. "REPC" means the renewable energy procurement committee established in RSA 362-24 F:20.

25 362-F:17 Procurement.

26 I. In order to facilitate the procurement of renewable energy generation and the financing of  $\mathbf{27}$ offshore wind energy generation resources not later than June 30, 2023, or a date determined by the 28 governor, the renewable energy procurement committee (REPC) shall solicit proposals for offshore 29 wind energy generation and other renewable energy generation resources; and, provided that 30 reasonable proposals have been received, the REPC shall select proposals for energy distribution

- Page 2 -

company submission to the commission. Such submission shall occur following approval of the
 governor.

II. The timetable and method for solicitations of procurement contracts using a competitive bidding process shall be proposed jointly by the distribution companies and REPC, and, upon approval by the governor, shall be subject to review and approval by the commission. The distribution companies, in coordination with the REPC, shall consult with the attorney general regarding the choice of solicitation methods. A solicitation may be coordinated and issued jointly with other New England states within ISO-NE or entities designated by those states.

9 III. The REPC and distribution companies may conduct, upon approval of the governor, one 10 or more competitive solicitations through a staggered procurement schedule developed by the distribution companies and the REPC; provided, that the schedule shall ensure that the distribution 11 companies enter into cost-effective contracts for offshore wind energy generation and other 12 13 renewable energy generation sources up to approximately 800 megawatts of aggregate nameplate capacity not later than June 30, 2028 and provided further, that solicitations in total shall seek 14 15proposals for no less than 600 megawatts of aggregate nameplate capacity of offshore wind energy generation resources, and associated transmission costs. Such solicitations may inclusively or 16 separately include other renewable energy sources, including Class II, Class III, and Class IV. 17

18 IV. A staggered procurement schedule may be developed by the REPC. If the REPC, in 19 consultation with the distribution companies and the independent evaluator, determines that 20 reasonable proposals were not received pursuant to a solicitation, the REPC may terminate the 21 solicitation, and may require additional solicitations to fulfill the requirements of this section.

 $\mathbf{22}$ V. A proposed contract shall be subject to the review and approval of the commission. As 23part of its approval process, the commission shall consider recommendations by the attorney general, 24 which shall be submitted to the commission within 45 days following the filing of a proposed contract with the commission. The commission shall consider the potential cost effectiveness of the proposed 25 26 contract under the criteria in this section and shall approve a proposed contract within 90 days if the 27 commission finds that the proposed contract is a cost-effective mechanism for procuring renewable 28 energy on a long-term basis, taking into account the factors outlined in this section. A distribution 29 company shall be entitled to cost recovery of payments made under a contract approved under this 30 section.

VI. In developing proposed contracts, the distribution companies shall consider contracts for renewable energy and renewable energy certificates individually and for a combination of both renewable energy certificates and energy. A distribution company may decline to pursue a proposal if the proposal's terms and conditions would require the contract obligation to place an unreasonable burden on the distribution company's balance sheet; provided, however, that the distribution company shall take all reasonable actions to structure the contracts, pricing, or administration of the products purchased under this section in order to prevent or mitigate an impact on the balance sheet

- Page 3 -

1 or income statement of the distribution company or its parent company, subject to the approval of 2 the commission; provided further, that mitigation shall not unreasonably increase costs to 3 ratepayers. If a distribution company and the REPC deem all proposals to be unreasonable, the 4 distribution company shall, within 20 days of the date of its decision, submit a filing to the 5 commission. The filing shall include, in the form and detail prescribed by the commission, 6 documentation supporting the REPC and distribution company's decision to decline the proposals. 7 Following a distribution company's filing, and within 3 months of the date of filing, the commission 8 shall approve or reject the distribution company's decision and may order the distribution company 9 to reconsider any proposal. If distribution companies are unable to agree on a winning bid following 10 a solicitation under this section, the matter shall be submitted to the REPC which shall, in 11 consultation with the independent evaluator, issue a final, binding determination of the winning bid 12 upon approval of the governor; provided, that the final contract executed shall be subject to review 13 by the commission. The REPC may require additional solicitations to fulfill the requirements of this 14 section.

15 VII. The commission shall adopt rules for this subdivision consistent with this section by 16 June 30 2023. The rules shall:

17 (a) Allow solicitation respondents to submit proposals for contracts consistent with this 18 section.

19 (b) Require that a proposed contract executed by the distribution companies under a 20proposal be filed with, and approved by, the commission before becoming effective.

- 21 (c) Provide criteria for evaluation and approval of annual remuneration for the  $\mathbf{22}$ contracting distribution company of 2.75 per cent of the annual payments under the contract to 23 compensate the company for accepting the financial obligation of the contract, such provision to be 24 acted upon by the commission at the time of contract approval.
- 25 (d) Require associated transmission costs to be incorporated into a proposal; provided 26 that, to the extent there are transmission costs included in a bid, the commission may authorize or 27 require the contracting parties to seek recovery of such transmission costs of the project through 28 federal transmission rates, consistent with policies and tariffs of the Federal Energy Regulatory 29 Commission, to the extent the commission finds such recovery is in the public interest.
- 30

(e) Require the mitigation of transmission costs, and avoidance of line loss, to the extent 31possible and ensure that transmission cost overruns, if any, are not borne by ratepayers.

32 VIII. The distribution companies shall each enter into a contract with the winning bidders 33 for their apportioned share of the market products being purchased from the project. The apportioned share shall be calculated and based upon the total default service energy demand from 34 35all distribution customers in each service territory of the distribution companies.

- Page 4 -

1 IX. Upon the approval of a proposal by the commission, the electric distribution company 2 shall have exclusive authority and control over power purchase agreement contracts, which shall be 3 completed within 90 days.

- 4 362-F:18 Public Utilities Commission Evaluation Criteria.
- 5 I. Agreements can be approved if the commission determines that the clean energy resources 6 to be used by a developer under the proposal meet the following criteria:
- 7 (a) Provide adequate energy with enhanced electricity distribution reliability, where 8 there is a clear public need, including, but not limited to a just and reasonable price over the term of 9 the contract;
- 10

(b) Contribute to reducing winter electricity price spikes;

11 (c) Are cost effective to electric ratepayers in New Hampshire over the term of the 12 contract taking into consideration potential economic benefits, as defined in RSA 362-F:16, I, 13 greenhouse gas and other polluting emission reductions and other health and environmental 14 benefits to the ratepayers, and, where feasible, create and foster employment and economic 15 development in New Hampshire, as defined in RSA 362-F:16, I.

(d) Avoid line loss and mitigate transmission costs to the extent possible and ensure that
 transmission cost overruns, if any, are not borne by ratepayers;

18

(e) Are commercially reasonable;

(f) Allow contracts for clean energy generation resources to be paired with energystorage systems;

 $\mathbf{21}$ 

(g) Address reliable energy delivery in winter months;

(h) Adequately demonstrate project viability and that the respondent (bidder) has the
 technical, financial, and managerial capabilities to perform in a commercially reasonable timeframe;

(i) Whether the proposal uses practices to avoid, minimize, and mitigate impacts to
wildlife, natural resources, ecosystems and traditional or existing water-dependent uses, including,
but not limited to, commercial and recreational fishing and transit lanes; and

27

(j) Creates energy diversity for New Hampshire's electricity supply.

28 II. For purposes of this section, "commercially reasonable" means terms and pricing that are 29 reasonably consistent with what an experienced power market analyst would expect to see in 30 transactions involving regional-energy resources and regional-energy infrastructure. Commercially 31reasonable shall include having a credible project operation date, contingent on final permitting, as determined by the commission. Commercially reasonable shall require a determination by the 32 33 commission that the benefits to New Hampshire exceed the cost of the project. The commission shall determine, based on the preponderance of the evidence, that the total energy security, reliability, 3435 environmental, and economic benefits to the state of New Hampshire and it s ratepayers exceed the 36 costs of such projects. If there is a dispute about whether any terms or pricing are commercially reasonable, the commission shall make the final determination after evidentiary hearings. 37

#### SB 151-FN - AS AMENDED BY THE SENATE - Page 5 -

1 III. A proposed contract shall be subject to the review and approval of the commission. As 2 part of its approval process, the commission shall consider recommendations by the attorney general, 3 which shall be submitted to the commission within 45 days following the filing of such contracts with 4 the commission. The commission shall consider both the potential costs and benefits of such 5 contracts and shall approve a contract only upon a finding that it is a cost effective mechanism for 6 procuring renewable energy generation on a long-term basis taking into account the factors outlined 7 in the REPC selection process.

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11	(b) The commissioner of the department of business and economic affairs, or designee.
12	(c) The commissioner of the department of environmental services, or designee.
13	(d) The executive director of the fish and game department, or designee.
14	(e) One representative of energy distribution companies, appointed by the governor.
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36 any combination thereof, that are affiliated with an apprenticeship training program and other

workforce development education and training programs recognized by the New Hampshire
 department employment security.

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18 VII. The REPC shall select, and the commission shall contract with, an independent 19 evaluator to monitor and report on the solicitation and bid selection process in order to assist the REPC in determining whether a proposal received pursuant to this section is reasonable and to be 20 21 selected for submission to the commission in its consideration of contracts filed for approval. To 22 ensure an open, fair, and transparent solicitation, and a bid selection process that is not unduly  $\mathbf{23}$ influenced by an affiliated company, the independent evaluator shall issue a report to the  $\mathbf{24}$ commission analyzing the timetable and method of solicitation and the solicitation process implemented by the distribution companies and the REPC and include recommendations, if any, for 25improving the process. Upon the opening of an investigation by the commission into a proposed  $\mathbf{26}$ 27 contract for a winning bid proposal, the independent evaluator shall file a report with the 28 commission summarizing and analyzing the solicitation and the bid selection process, and providing 29 its independent assessment of whether all bids were evaluated in a fair and non-discriminatory 30 manner. The independent evaluator shall have access to all information and data related to the 31 competitive solicitation and bid selection process necessary to fulfill the purposes of this subsection, 32but shall ensure all proprietary information remains confidential. The commission shall consider 33 the findings of the independent evaluator and may adopt recommendations made by the independent  $\mathbf{34}$ evaluator as a condition for approval. If the independent evaluator concludes in the findings that 35 the solicitation and bid selection of a contract was not fair and objective and that the process was 36 substantially prejudiced as a result, the commission shall reject the contract. The public utilities'

#### SB 151-FN - AS AMENDED BY THE SENATE - Page 8 -

1 cost of evaluation shall be directly assessed to the state's distribution utilities and the New 2 Hampshire Electric Cooperative as authorized by the public utilities commission. 3 VIII. The REPC shall consult interested parties and provide opportunities for submission of 4 information in public meetings or other means by members of the public in the process of solicitation 5 of proposals. 6 IX. The representatives of energy distribution companies on the REPC shall not participate 7 in the selection of procurement proposals. 8 X. The REPC shall report on its activities annually to the governor, the senate president, 9 the speaker of the house of representatives, and to the commission on offshore wind and port 10 development established in RSA 374-F:10. 11 XI. All reasonable costs associated with the REPC solicitation and review of proposals pursuant to this section shall be recoverable through the same fully reconciling rate component for 1213 all customers of the electric distribution companies. 14 362-F:21 Energy and Capacity Requirements Report. On or before January 1, 2022, and 15biennially thereafter, the commission, in consultation with the electric distribution companies, shall 16 prepare an assessment of: 17 I. The energy and capacity requirements of customers for the next 5 years. 18 II. The manner of and how best to manage growth in electric demand. 19 III. How best to level electric demand in the state by reducing peak demand and shifting 20 demand to off-peak periods. 21 IV. The impact of current and projected environmental standards, including, but not limited  $\mathbf{22}$ to, those related to greenhouse gas emissions and the federal Clean Air Act goals and how different 23 resources could help achieve those standards and goals.  $\mathbf{24}$ V. Energy security and economic risks associated with potential energy resources. 25 VI. The estimated lifetime cost and availability of potential energy resources. 26 2 Effective Date. This act shall take effect 60 days after its passage.

LBA 21-0862 2/8/21

#### SB 151-FN- FISCAL NOTE AS INTRODUCED

#### AN ACT relative to renewable energy procurement.

#### 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** 

LBA 21-0862 Amended 3/29/21

#### SB 151-FN FISCAL NOTE AS AMENDED BY THE SENATE (AMENDMENT #2021-0795s)

AN ACT	relative to renewable energy procurement.	

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FISCAL IMPACT: [	[X] State	[X] County	[X] Local	[ ] None
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	Estimated Increase / (Decrease)			
STATE:	FY 2021-	FY 2022	FY 2023	FY 2024
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Funding Source:	[X] General	[ ] Education	[ ] Highway	[X] Other -
Funding Source.	Various Governmen	nt Funds		

**COUNTY:** 

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Revenue	\$0	\$0	\$0	\$0
Expenditures _	\$0	Indeterminable	Indeterminable	Indeterminable

LOCAL:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

#### **METHODOLOGY:**

This bill establishes a program for the procurement of renewable energy and the financing of offshore wind energy generation resources in New Hampshire, upon recommendation of the renewable energy procurement commission established in the bill, through the solicitation and development of contracts with distribution companies by the public utilities commission.

The Public Utilities Commission states the fiscal impacts of this bill cannot be predicted. The Commission notes the bill could create considerable stranded costs, because of the difficulty of projecting energy costs into the future, and because the retail energy market is changing, and fewer and fewer customers may take default service from their distribution customers over the next twenty years, particularly with the development of community power, microgrids, and customer-owned generation. In addition, New England stakeholders are in the process of developing wholesale market designs that could make long term contracts for clean energy sources unnecessary and potentially uneconomic. The Commission indicates the bill has the potential to increase transmission costs paid by the State and local governments. There is too much uncertainty with regard to ISO transmission tariffs and their application to determine New Hampshire's cost allocation for the transmission required to bring the energy to the market. The Commission would be charged with contracting for an independent evaluator to monitor and report on the solicitation and bid process in order to assist the REPC in determining whether a proposal received pursuant to this section is reasonable and should be selected for submission to the Commission, and then to file a report with the Commission if a proposal is selected. The Commission assumes the cost of this contract will exceed \$100,000. In addition, the Commission would likely have to hire an environmental expert to make the environmental determinations necessary when reviewing the proposal. This contract is also expected to be in excess of \$100,000 in cost. Last, the bill requires the Commission to prepare an energy and capacity requirements report, which will in turn require the Commission to hire an environmental consultant at a cost expected be in excess of \$100,000 in cost every two years.

The Commission notes that it cannot directly assess distribution utilities for consultant costs that are not incurred in the context of a commission proceeding. Those costs would have to be funded from the general fund or from the Commission's general assessment, which would in turn require telecommunications companies and small water and sewer companies, and ultimately their rate payers, to fund large electric-related costs.

#### AGENCIES CONTACTED:

Public Utilities Commission

#### SB 151-FN FISCAL NOTE AS AMENDED BY THE SENATE (AMENDMENT #2021-0795s)

AN ACT relative to renewable energy procurement.

FISCAL IMPACT: [X] State [X] County [X] Local [] None

	Estimated Increase / (Decrease)			
STATE:	FY 2021	FY 2022	FY 2023	FY 2024
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	· \$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Funding Source:	[X] General Government Funds	[ ] Education	[ ] Highway	[X] Other - Various

#### COUNTY:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

#### LOCAL:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

#### METHODOLOGY:

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This bill establishes a program for the procurement of renewable energy and the financing of offshore wind energy generation resources in New Hampshire, upon recommendation of the renewable energy procurement commission established in the bill, through the solicitation and development of contracts with distribution companies by the public utilities commission.

The Public Utilities Commission states the fiscal impacts of this bill cannot be predicted. The Commission notes the bill could create considerable stranded costs, because of the difficulty of projecting energy costs into the future, and because the retail energy market is changing, and fewer and fewer customers may take default service from their distribution customers over the next twenty years, particularly with the development of community power, microgrids, and customer-owned generation. In addition, New England stakeholders are in the process of developing wholesale market designs that could make long term contracts for clean energy sources unnecessary and potentially uneconomic. The Commission indicates the bill has the potential to increase transmission costs paid by the State and local governments. There is too much uncertainty with regard to ISO transmission tariffs and their application to determine New Hampshire's cost allocation for the transmission required to bring the energy to the market. The Commission would be charged with contracting for an independent evaluator to monitor and report on the solicitation and bid process in order to assist the REPC in determining whether a proposal received pursuant to this section is reasonable and should be selected for submission to the Commission, and then to file a report with the Commission if a proposal is selected. The Commission assumes the cost of this contract will exceed \$100,000. In addition, the Commission would likely have to hire an environmental expert to make the environmental determinations necessary when reviewing the proposal. This contract is also expected to be in excess of \$100,000 in cost. Last, the bill requires the Commission to prepare an energy and capacity requirements report, which will in turn require the Commission to hire an environmental consultant at a cost expected be in excess of \$100,000 in

The Commission notes that it cannot directly assess distribution utilities for consultant costs that are not incurred in the context of a commission proceeding. Those costs would have to be funded from the general fund or from the Commission's general assessment, which would in turn require telecommunications companies and small water and sewer companies, and ultimately their rate payers, to fund large electric-related costs.

#### AGENCIES CONTACTED:

Public Utilities Commission

## Amendments

in .

Sen. Watters, Dist 4 March 10, 2021 2021-0777s 10/06

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#### Amendment to SB 151-FN

1	Amend the bill by replacing all after the enacting clause with the following:
2	
3	1 New Subdivision; Renewable Energy Procurement. Amend RSA 362-F by inserting after
4	section 15 the following new subdivision:
5	Renewable Energy Procurement
6	362-F:16 Definitions. In this subdivision:
7	I. "Benefits to New Hampshire's economy" includes but is not limited to capital investments
8	by the renewable energy generation facility, employment resulting from the clean energy generation
. 9	facility; payment by the clean energy generation facility to a host community, or the state of New
10	Hampshire, whether or not required by law or rule; and, purchase of goods and services by the clean
11	energy generation facility, from New Hampshire and other domestic sources.
12	II. "Class I," "Class II", "Class III", and "Class IV" energy mean those terms as described and
13	defined in RSA 362:F:4.
14	III. "Clean energy generation" means Class I including offshore wind energy generation,
15	Class II, Class III, and Class IV.
16	IV. "Contract" means a contract for generation of renewable portfolio standard resource for a
17	period of up to 30 years.
18	V. "Offshore wind developer" means a provider of electricity developed from an offshore wind
19	energy generation project that is located on the outer continental shelf.
20	VI. "Offshore wind energy generation" means offshore electric generating resources derived
21	from wind that are Class I renewable energy generating sources, have a commercial operations date
22	on or after January 1, 2018, have been verified by the commission; and operate in a designated wind
23	energy area for which an initial federal lease was issued on a competitive basis after January 1,
24 .	2015.
25	VII. "REPC" means the renewable energy procurement committee established in RSA 362-
26	F:20:
27	362-F:17 Procurement.
28	I. In order to facilitate the procurement of renewable energy generation and the financing of
29	offshore wind energy generation resources not later than June 30, 2023 the renewable energy
30	procurement committee (REPC) shall solicit proposals for offshore wind energy generation and other
31	renewable energy generation resources; and, provided that reasonable proposals have been received,

the REPC shall select proposals for energy distribution company submission to the commission. Such
 submission shall occur following approval of the governor.

II. The timetable and method for solicitations of procurement contracts using a competitive bidding process shall be proposed jointly by the distribution companies and REPC, and, upon approval by the governor, shall be subject to review and approval by the commission. The distribution companies, in coordination with the REPC, shall consult with the attorney general regarding the choice of solicitation methods. A solicitation may be coordinated and issued jointly with other New England states within ISO-NE or entities designated by those states.

III. The REPC and distribution companies may conduct, upon approval of the governor, one 9 or more competitive solicitations through a staggered procurement schedule developed by the 10 distribution companies and the REPC; provided, that the schedule shall ensure that the distribution 11 companies enter into cost-effective contracts for offshore wind energy generation and other 12renewable energy generation sources up to approximately 800 megawatts of aggregate nameplate 13 capacity not later than June 30, 2028 and provided further, that solicitations in total shall seek 14 proposals for no less than 600 megawatts of aggregate nameplate capacity of offshore wind energy 15generation resources, and associated transmission costs. Such solicitations may inclusively or 16 separately include other renewable energy sources, including Class II, Class III, and Class IV. 17

IV. A staggered procurement schedule may be developed by the REPC. If the REPC, in consultation with the distribution companies and the independent evaluator, determines that reasonable proposals were not received pursuant to a solicitation, the REPC may terminate the solicitation, and may require additional solicitations to fulfill the requirements of this section.

V. A proposed contract shall be subject to the review and approval of the commission. As 22part of its approval process, the commission shall consider recommendations by the attorney general,  $\mathbf{23}$ which shall be submitted to the commission within 45 days following the filing of a proposed contract  $\mathbf{24}$ with the commission. The commission shall consider the potential cost effectiveness of the proposed 25contract under the criteria in this section and shall approve a proposed contract within 90 days if the 26commission finds-that the proposed contract is a cost-effective mechanism for procuring renewable  $\mathbf{27}$ energy on a long-term basis, taking into account the factors outlined in this section. A distribution 28company shall be entitled to cost recovery of payments made under a contract approved under this  $\mathbf{29}$ 30section.

VI. In developing proposed contracts, the distribution companies shall consider contracts for renewable energy and renewable energy certificates individually and for a combination of both renewable energy certificates and energy. A distribution company may decline to pursue a proposal if the proposal's terms and conditions would require the contract obligation to place an unreasonable burden on the distribution company's balance sheet; provided, however, that the distribution company shall take all reasonable actions to structure the contracts, pricing, or administration of the products purchased under this section in order to prevent or mitigate an impact on the balance sheet

#### Amendment to SB 151-FN - Page 3 -

1 or income statement of the distribution company or its parent company, subject to the approval of  $\mathbf{2}$ the commission; provided further, that mitigation shall not unreasonably increase costs to 3 ratepayers. If a distribution company and the REPC deem all proposals to be unreasonable, the 4 distribution company shall, within 20 days of the date of its decision, submit a filing to the 5 The filing shall include, in the form and detail prescribed by the commission, commission. 6 documentation supporting the REPC and distribution company's decision to decline the proposals. 7 Following a distribution company's filing, and within 3 months of the date of filing, the commission shall approve or reject the distribution company's decision and may order the distribution company 8 to reconsider any proposal. If distribution companies are unable to agree on a winning bid following 9 a solicitation under this section, the matter shall be submitted to the REPC which shall, in 10 consultation with the independent evaluator, issue a final, binding, determination of the winning bid 11 upon approval of the governor; provided, that the final contract executed shall be subject to review 12by the commission. The REPC may require additional solicitations to fulfill the requirements of this 13 section. 14

15 VII. The commission shall adopt rules for this subdivision consistent with this section by 16 June 30 2023. The rules shall:

(a) Allow solicitation respondents to submit proposals for contracts consistent with this
section.

(b) Require that a proposed contract executed by the distribution companies under a
 proposal be filed with, and approved by, the commission before becoming effective.

21 (c) Provide criteria for evaluation and approval of annual remuneration for the 22 contracting distribution company up to 2 per cent of the annual payments under the contract to 23 compensate the company for accepting the financial obligation of the contract, such provision to be 24 acted upon by the commission at the time of contract approval.

25 (d) Require associated transmission costs to be incorporated into a proposal; provided 26 that, to the extent there are transmission costs included in a bid, the commission may authorize or 27 require the contracting parties to seek recovery of such transmission costs of the project through 28 federal transmission rates, consistent with policies and tariffs of the Federal Energy Regulatory 29 Commission, to the extent the commission finds such recovery is in the public interest.

30 (e) Require the mitigation of transmission costs, and avoidance of line loss, to the extent 31 possible and ensure that transmission cost overruns, if any, are not borne by ratepayers.

VIII. The distribution companies shall each enter into a contract with the winning bidders for their apportioned share of the market products being purchased from the project. The apportioned share shall be calculated and based upon the total default service energy demand from all distribution customers in each service territory of the distribution companies.

#### Amendment to SB 151-FN - Page 4 -

1 IX. Upon the approval of a proposal by the commission, the electric distribution company 2 shall have exclusive authority and control over power purchase agreement contracts, which shall be 3 completed within 90 days. 4 362-F:18 Public Utilities Commission Evaluation Criteria. 5 I. Agreements can be approved if the commission determines that the clean energy resources 6 to be used by a developer under the proposal meet the following criteria: 7 (a) Provide adequate energy with enhanced electricity distribution reliability, where 8 there is a clear public need, including, but not limited to a just and reasonable price over the term of 9 the contract; (b) Contribute to reducing winter electricity price spikes; 10 (c) Are cost effective to electric ratepayers in New Hampshire over the term of the 11 contract taking into consideration potential economic benefits, as defined in RSA 362-F:16, I, 12greenhouse gas and other polluting emission reductions and other health and environmental 13benefits to the ratepayers, and, where feasible, create and foster employment and economic 14 development in New Hampshire, as defined in RSA 362-F:16; I: 15 (d) Avoid line loss and mitigate transmission costs to the extent possible and ensure that 16 transmission cost overruns, if any, are not borne by ratepayers; 17(e) Are commercially reasonable: 18 (f) Allow contracts for clean energy generation resources to be paired with energy 19 20 storage systems; (g) Address reliable energy delivery in winter months;  $\mathbf{21}$ (h) Adequately demonstrate project viability and that the respondent (bidder) has the 22technical, financial, and managerial capabilities to perform in a commercially reasonable timeframe;  $\mathbf{23}$ (i) Whether the proposal uses practices to avoid, minimize, and mitigate impacts to  $\mathbf{24}$ wildlife, natural resources, ecosystems and traditional or existing water-dependent uses, including, 25but not limited to, commercial and recreational fishing and transit lanes; and  $\mathbf{26}$ (j) Creates energy diversity for New Hampshire's electricity supply.  $\mathbf{27}$ · · · . II. For purposes of this section, "commercially reasonable" means terms and pricing that are  $\mathbf{28}$ reasonably consistent with what an experienced power market analyst would expect to see in 29 transactions involving regional-energy resources and regional-energy infrastructure. Commercially 30 reasonable shall include having a credible project operation date, contingent on final permitting, as 3132determined by the commission. Commercially reasonable shall require a determination by the commission that the benefits to New Hampshire exceed the cost of the project. The commission shall 33  $\mathbf{34}$ determine, based on the preponderance of the evidence, that the total energy security, reliability, 35 environmental, and economic benefits to the state of New Hampshire and it s ratepayers exceed the 36 costs of such projects. If there is a dispute about whether any terms or pricing are commercially 37 reasonable, the commission shall make the final determination after evidentiary hearings.

#### Amendment to SB 151-FN - Page 5 -

1 III. A proposed contract shall be subject to the review and approval of the commission. As 2 part of its approval process, the commission shall consider recommendations by the attorney general, 3 which shall be submitted to the commission within 45 days following the filing of such contracts with 4 the commission. The commission shall consider both the potential costs and benefits of such 5 contracts and shall approve a contract only upon a finding that it is a cost effective mechanism for 6 procuring renewable energy generation on a long-term basis taking into account the factors outlined 7 in the REPC selection process.

8 IV. A contract procured under this subdivision shall utilize an appropriate tracking system 9 to ensure a unit specific accounting of the delivery of clean energy, to enable the REPC to accurately 10 measure progress in achieving the goals of this section.

V. The REPC and the commission may jointly develop requirements for a bond or other security to ensure performance with requirements under this section. If this section is subjected to a legal challenge, the commission may suspend the applicability of the challenged provision during the pendency of the action until a final resolution, including any appeals, is obtained and shall issue an order and take other actions as are necessary to ensure that the provisions not subject to the challenge are implemented expeditiously to achieve the public purposes of this section.

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362-F:19 Renewable Energy Credits.  $r^{-1}$ 

I. A distribution company may elect to use any energy purchased under such contracts for 18 sale to its customers and may elect to retain renewable energy certificates to meet the applicable 19 annual renewable portfolio standard requirements under RSA 362-F:6. If the energy and renewable 20 energy certificates are not so used, the distribution companies shall sell the purchased energy into 21the wholesale market and, provided that the commission has not notified the distribution company 22that the renewable energy certificates should be retained to facilitate reaching emission reduction  $\mathbf{23}$ targets pursuant to RSA 362-F:3, shall sell the purchased renewable energy certificates to minimize  $\mathbf{24}$ the costs to ratepayers under the contract. If a distribution company sells the purchased energy into 25the wholesale market and sells the renewable energy certificates, the distribution company shall net 26 the cost of payments made to projects under the contracts against the net proceeds obtained from the  $\mathbf{27}$ sale of energy and renewable energy certificates, and the difference shall be credited or charged to  $\mathbf{28}$ all distribution customers through a uniform fully reconciling annual factor in distribution rates, 29 subject to review and approval of the commission. 30

II. If a distribution company sells the purchased energy into the wholesale spot market and auctions the renewable energy certificates as described in this section, the distribution company shall net the cost of payments made to projects under the contracts against the net proceeds obtained from the sale of energy and renewable energy certificates, and the difference shall be credited or charged to all distribution customers through a uniform fully reconciling annual factor in distribution rates, subject to review and approval of the commission.

#### Amendment to SB 151-FN - Page 6 -

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1	III. The commission shall conduct periodic reviews to determine the impact on the energy
2	and renewable energy certificate markets of the disposition of energy and renewable energy
3	certificates under this section and may issue reports recommending legislative changes if it
4	determines that actions are being taken that will adversely affect the energy and renewable energy
5	certificate markets.
6	362-F:20 Renewable Energy Procurement Committee. There is established the renewable
7	energy procurement committee (REPC).
8	I. The REPC shall consist of the following members:
9	(a) An individual familiar with New Hampshire energy distribution and economic
10	development, who shall serve as chair, appointed by the governor.
11	(b) The commissioner of the department of business and economic affairs, or designee.
12	(c) The commissioner of the department of environmental services, or designee.
13	(d) The executive director of the fish and game department, or designee.
14	(e) One representative of energy distribution companies, appointed by the governor.
15	(f) One representative of labor, appointed by the president of the NH AFL-CIO.
16	(g) One representative of commercial or recreational fisheries, appointed by the
17	governor.
18	(h) An attorney from the department of justice, designated by the attorney general, with
19	experience in energy procurement, who shall serve in a nonvoting, advisory capacity to the
20	committee.
21	II. Members of the REPC shall serve without compensation. Appointed members shall each
<b>22</b>	serve a term of 3 years.
23	III. The REPC shall, in coordination with other states in the control area of the regional
<b>24</b>	independent system operator, in coordination with states in a neighboring control area or on behalf
25	of New Hampshire alone, solicit proposals, in one solicitation or multiple solicitations, from
26	providers of renewable energy, in accordance with RSA 362-F:17, and select proposals for electric
27	distribution company submission to the commission.
28	IV. In solicitation and selection of proposals, the REPC shall require selected bidders to
<b>29</b> .	include a plan to engage in a good faith negotiation of a project labor agreement for laborers,
30	workers, and mechanics performing construction activities within the United States with respect to
31	the project. Any solicitation issued pursuant to this section shall specify the minimum terms that
32	such project labor agreements shall address.
33	V. In responding to any solicitations issued pursuant to this section, a bidder may include
34	such bidder's plans for the use of skilled labor, including, but not limited to, for any construction and
35	manufacturing components of the proposal including any outreach, hiring, and referral systems, or
36	any combination thereof, that are affiliated with an apprenticeship training program and other

workforce development education and training programs recognized by the New Hampshire
 department employment security.

VI. In responding to any solicitations issued pursuant to this section that involve activities 3 4 in New Hampshire, including state waters, a bidder shall demonstrate that it has prepared or will  $\mathbf{5}$ prepared for the Bureau of Ocean Energy Management an environmental, fisheries, and transit 6 lanes mitigation plan for the construction and operation of such offshore wind facilities, provided 7 such plan shall include, but not be limited to, an explicit description of the best management practices the bidder will employ that are informed by the latest science at the time the proposal is 8 made that will avoid, minimize, and mitigate any impacts to wildlife, natural resources, ecosystems, 9 and traditional or existing water-dependent uses, including, but not limited to, commercial and 10 recreational fishing, and transit lanes. For each solicitation issued pursuant to this section, the 11 commissioner of the department of environmental services and the executive director of the New 12 Hampshire fish and game department shall inform the REPC concerning its input to the bidder on 13 best practices for avoiding, minimizing, and mitigating any impacts to wildlife, natural resources, 14 ecosystems, and traditional or existing water-dependent uses, including, but not limited to, 15 commercial and recreational fishing, and transit lanes, during the construction and operation of 16 المريد الح 17facilities eligible pursuant to this section.

VII. The REPC shall select, and the commission shall contract with, an independent 18 evaluator to monitor and report on the solicitation and bid selection process in order to assist the 19 REPC in determining whether a proposal received pursuant to this section is reasonable and to be 20selected for submission to the commission in its consideration of contracts filed for approval. To 21 $\mathbf{22}$ ensure an open, fair, and transparent solicitation, and a bid selection process that is not unduly influenced by an affiliated company, the independent evaluator shall issue a report to the  $\mathbf{23}$ commission analyzing the timetable and method of solicitation and the solicitation process 24 implemented by the distribution companies and the REPC and include recommendations, if any, for 25improving the process. Upon the opening of an investigation by the commission into a proposed 26 contract for a winning bid proposal, the independent evaluator shall file a report with the 27commission summarizing and analyzing the solicitation and the bid selection process, and providing 28 its independent assessment of whether all bids were evaluated in a fair and non-discriminatory 29 \_ manner. The independent evaluator shall have access to all information and data related to the 30 competitive solicitation and bid selection process necessary to fulfill the purposes of this subsection, 31 32but shall ensure all proprietary information remains confidential. The commission shall consider the findings of the independent evaluator and may adopt recommendations made by the independent 33 evaluator as a condition for approval. If the independent evaluator concludes in the findings that  $\mathbf{34}$ 35 the solicitation and bid selection of a contract was not fair and objective and that the process was substantially prejudiced as a result, the commission shall reject the contract. The public utilities' 36

cost of evaluation shall be directly assessed to the state's distribution utilities and the New
 Hampshire Electric Cooperative as authorized by the public utilities commission.

VIII. The REPC shall consult interested parties and provide opportunities for submission of
information in public meetings or other means by members of the public in the process of solicitation
of proposals.

6 IX. The representatives of energy distribution companies on the REPC shall not participate 7 in the selection of procurement proposals.

8 X. The REPC shall report on its activities annually to the governor, the senate president, 9 the speaker of the house of representatives, and to the commission on offshore wind and port 10 development established in RSA 374-F:10.

11 XI. All reasonable costs associated with the REPC solicitation and review of proposals 12 pursuant to this section shall be recoverable through the same fully reconciling rate component for 13 all customers of the electric distribution companies.

14 362-F:21 Energy and Capacity Requirements Report. On or before January 1, 2022, and 15 biennially thereafter, the commission, in consultation with the electric distribution companies, shall 16 prepare an assessment of:

17 18 I. The energy and capacity requirements of customers for the next 5 years.

II. The manner of and how best to manage growth in electric demand.

19 III. How best to level electric demand in the state by reducing peak demand and shifting20 demand to off-peak periods.

IV. The impact of current and projected environmental standards, including, but not limited to, those related to greenhouse gas emissions and the federal Clean Air Act goals and how different resources could help achieve those standards and goals.

V. Energy security and economic risks associated with potential energy resources.

VI. The estimated lifetime cost and availability of potential energy resources.

25 26

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

#### Amendment to SB 151-FN - Page 9 -

 $2021\text{-}0777\mathrm{s}$ 

#### AMENDED ANALYSIS

This bill establishes a program for the procurement of renewable energy and the financing of offshore wind energy generation resources in New Hampshire, upon recommendation of the renewable energy procurement commission established in the bill, through the solicitation and development of contracts with distribution companies by the public utilities commission.

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Energy and Natural Resources March 11, 2021 2021-0795s 10/06

#### Amendment to SB 151-FN

1	Amend the bill by replacing all after the enacting clause with the following:			
2				
3	1 New Subdivision; Renewable Energy Procurement. Amend RSA 362-F by inserting after			
4	section 15 the following new subdivision:			
5	Renewable Energy Procurement			
6	362-F:16 Definitions. In this subdivision:			
7	I. "Benefits to New Hampshire's economy" includes but is not limited to capital investments			
8	by the renewable energy generation facility, employment resulting from the clean energy generation			
9	facility; payment by the clean energy generation facility to a host community, or the state of New			
10	Hampshire, whether or not required by law or rule; and, purchase of goods and services by the clean			
11	energy generation facility, from New Hampshire and other domestic sources.			
12	II. "Class I," "Class II", "Class III", and "Class IV" energy mean those terms as described and			
13	defined in RSA 362:F:4.			
14	III. "Clean energy generation" means Class I including offshore wind energy generation,			
15	Class II, Class III, and Class IV.			
16	IV. "Contract" means a contract for generation of renewable portfolio standard resource for a			
17	period of up to 30 years.			
18	V. "Offshore wind developer" means a provider of electricity developed from an offshore wind			
19	energy generation project that is located on the outer continental shelf.			
20	VI. "Offshore wind energy generation" means offshore electric generating resources derived			
21	from wind that are Class I renewable energy generating sources, have a commercial operations date			
22	on or after January 1, 2018, have been verified by the commission; and operate in a designated wind			
23	energy area for which an initial federal lease was issued on a competitive basis after January 1,			
24	2015.			
25	VII. "REPC" means the renewable energy procurement committee established in RSA 362-			
26	F:20.			
27	362-F:17 Procurement.			
28	I. In order to facilitate the procurement of renewable energy generation and the financing of			
29	offshore wind energy generation resources not later than June 30, 2023, or a date determined by the			
30	governor, the renewable energy procurement committee (REPC) shall solicit proposals for offshore			
31	wind energy generation and other renewable energy generation resources; and, provided that			
32	reasonable proposals have been received, the REPC shall select proposals for energy distribution			

company submission to the commission. Such submission shall occur following approval of the
 governor.

II. The timetable and method for solicitations of procurement contracts using a competitive bidding process shall be proposed jointly by the distribution companies and REPC, and, upon approval by the governor, shall be subject to review and approval by the commission. The distribution companies, in coordination with the REPC, shall consult with the attorney general regarding the choice of solicitation methods. A solicitation may be coordinated and issued jointly with other New England states within ISO-NE or entities designated by those states.

9 III. The REPC and distribution companies may conduct, upon approval of the governor, one 10 or more competitive solicitations through a staggered procurement schedule developed by the distribution companies and the REPC; provided, that the schedule shall ensure that the distribution 11 companies enter into cost-effective contracts for offshore wind energy generation and other 1213 renewable energy generation sources up to approximately 800 megawatts of aggregate nameplate capacity not later than June 30, 2028 and provided further, that solicitations in total shall seek 14 proposals for no less than 600 megawatts of aggregate nameplate capacity of offshore wind energy 15 generation resources, and associated transmission costs. Such solicitations may inclusively or 16 17 separately include other renewable energy sources, including Class II, Class III, and Class IV.

18 IV. A staggered procurement schedule may be developed by the REPC. If the REPC, in 19 consultation with the distribution companies and the independent evaluator, determines that 20 reasonable proposals were not received pursuant to a solicitation, the REPC may terminate the 21 solicitation, and may require additional solicitations to fulfill the requirements of this section.

V. A proposed contract shall be subject to the review and approval of the commission. As 22 23part of its approval process, the commission shall consider recommendations by the attorney general, which shall be submitted to the commission within 45 days following the filing of a proposed contract  $\mathbf{24}$ with the commission. The commission shall consider the potential cost effectiveness of the proposed 25 $\mathbf{26}$ contract under the criteria in this section and shall approve a proposed contract within 90 days if the  $\mathbf{27}$ commission finds that the proposed contract is a cost-effective mechanism for procuring renewable energy on a long-term basis, taking into account the factors outlined in this section. A distribution 28 29 company shall be entitled to cost recovery of payments made under a contract approved under this section. 30

VI. In developing proposed contracts, the distribution companies shall consider contracts for renewable energy and renewable energy certificates individually and for a combination of both renewable energy certificates and energy. A distribution company may decline to pursue a proposal if the proposal's terms and conditions would require the contract obligation to place an unreasonable burden on the distribution company's balance sheet; provided, however, that the distribution company shall take all reasonable actions to structure the contracts, pricing, or administration of the products purchased under this section in order to prevent or mitigate an impact on the balance sheet

#### Amendment to SB 151-FN - Page 3 -

1 or income statement of the distribution company or its parent company, subject to the approval of 2 the commission; provided further, that mitigation shall not unreasonably increase costs to 3 ratepayers. If a distribution company and the REPC deem all proposals to be unreasonable, the 4 distribution company shall, within 20 days of the date of its decision, submit a filing to the 5 commission. The filing shall include, in the form and detail prescribed by the commission, 6 documentation supporting the REPC and distribution company's decision to decline the proposals. 7 Following a distribution company's filing, and within 3 months of the date of filing, the commission 8 shall approve or reject the distribution company's decision and may order the distribution company 9 to reconsider any proposal. If distribution companies are unable to agree on a winning bid following 10 a solicitation under this section, the matter shall be submitted to the REPC which shall, in 11 consultation with the independent evaluator, issue a final, binding determination of the winning bid 12 upon approval of the governor; provided, that the final contract executed shall be subject to review 13by the commission. The REPC may require additional solicitations to fulfill the requirements of this section. 14

15

VII. The commission shall adopt rules for this subdivision consistent with this section by 16 June 30 2023. The rules shall:

17 (a) Allow solicitation respondents to submit proposals for contracts consistent with this 18 section.

19 (b) Require that a proposed contract executed by the distribution companies under a 20 proposal be filed with, and approved by, the commission before becoming effective.

21(c) Provide criteria for evaluation and approval of annual remuneration for the 22contracting distribution company of 2.75 per cent of the annual payments under the contract to 23 compensate the company for accepting the financial obligation of the contract, such provision to be 24 acted upon by the commission at the time of contract approval.

25(d) Require associated transmission costs to be incorporated into a proposal; provided  $\mathbf{26}$ that, to the extent there are transmission costs included in a bid, the commission may authorize or 27require the contracting parties to seek recovery of such transmission costs of the project through 28 federal transmission rates, consistent with policies and tariffs of the Federal Energy Regulatory 29 Commission, to the extent the commission finds such recovery is in the public interest.

30 31

(e) Require the mitigation of transmission costs, and avoidance of line loss, to the extent possible and ensure that transmission cost overruns, if any, are not borne by ratepayers.

32VIII. The distribution companies shall each enter into a contract with the winning bidders 33 for their apportioned share of the market products being purchased from the project. The 34 apportioned share shall be calculated and based upon the total default service energy demand from 35 all distribution customers in each service territory of the distribution companies.

#### Amendment to SB 151-FN - Page 4 -

1 IX. Upon the approval of a proposal by the commission, the electric distribution company 2 shall have exclusive authority and control over power purchase agreement contracts, which shall be 3 completed within 90 days. 4 362-F:18 Public Utilities Commission Evaluation Criteria. 5 I. Agreements can be approved if the commission determines that the clean energy resources 6 to be used by a developer under the proposal meet the following criteria: 7 (a) Provide adequate energy with enhanced electricity distribution reliability, where 8 there is a clear public need, including, but not limited to a just and reasonable price over the term of 9 the contract; 10 (b) Contribute to reducing winter electricity price spikes; (c) Are cost effective to electric ratepayers in New Hampshire over the term of the 11 12 contract taking into consideration potential economic benefits, as defined in RSA 362-F:16, I, 13greenhouse gas and other polluting emission reductions and other health and environmental 14 benefits to the ratepayers, and, where feasible, create and foster employment and economic development in New Hampshire, as defined in RSA 362-F:16, I. 15 16 (d) Avoid line loss and mitigate transmission costs to the extent possible and ensure that 17 transmission cost overruns, if any, are not borne by ratepayers; 18 (e) Are commercially reasonable; (f) Allow contracts for clean energy generation resources to be paired with energy 19  $20^{\circ}$ storage systems;  $\mathbf{21}$ (g) Address reliable energy delivery in winter months; 22(h) Adequately demonstrate project viability and that the respondent (bidder) has the 23 technical, financial, and managerial capabilities to perform in a commercially reasonable timeframe;  $\mathbf{24}$ (i) Whether the proposal uses practices to avoid, minimize, and mitigate impacts to wildlife, natural resources, ecosystems and traditional or existing water-dependent uses, including, 25 $\mathbf{26}$ but not limited to, commercial and recreational fishing and transit lanes; and  $\mathbf{27}$ (i) Creates energy diversity for New Hampshire's electricity supply. 28II. For purposes of this section, "commercially reasonable" means terms and pricing that are  $\mathbf{29}$ reasonably consistent with what an experienced power market analyst would expect to see in 30 transactions involving regional-energy resources and regional-energy infrastructure. Commercially 31reasonable shall include having a credible project operation date, contingent on final permitting, as 32 determined by the commission. Commercially reasonable shall require a determination by the 33 commission that the benefits to New Hampshire exceed the cost of the project. The commission shall 34 determine, based on the preponderance of the evidence, that the total energy security, reliability, 35 environmental, and economic benefits to the state of New Hampshire and it s ratepayers exceed the 36 costs of such projects. If there is a dispute about whether any terms or pricing are commercially 37 reasonable, the commission shall make the final determination after evidentiary hearings.

#### Amendment to SB 151-FN - Page 5 -

1 III. A proposed contract shall be subject to the review and approval of the commission. As 2 part of its approval process, the commission shall consider recommendations by the attorney general, 3 which shall be submitted to the commission within 45 days following the filing of such contracts with 4 the commission. The commission shall consider both the potential costs and benefits of such 5 contracts and shall approve a contract only upon a finding that it is a cost effective mechanism for 6 procuring renewable energy generation on a long-term basis taking into account the factors outlined 7 in the REPC selection process.

8 IV. A contract procured under this subdivision shall utilize an appropriate tracking system 9 to ensure a unit specific accounting of the delivery of clean energy, to enable the REPC to accurately 10 measure progress in achieving the goals of this section.

V. The REPC and the commission may jointly develop requirements for a bond or other security to ensure performance with requirements under this section. If this section is subjected to a legal challenge, the commission may suspend the applicability of the challenged provision during the pendency of the action until a final resolution, including any appeals, is obtained and shall issue an order and take other actions as are necessary to ensure that the provisions not subject to the challenge are implemented expeditiously to achieve the public purposes of this section.

17

362-F:19 Renewable Energy Credits.

18 I. A distribution company may elect to use any energy purchased under such contracts for 19 sale to its customers and may elect to retain renewable energy certificates to meet the applicable 20 annual renewable portfolio standard requirements under RSA 362-F:6. If the energy and renewable 21energy certificates are not so used, the distribution companies shall sell the purchased energy into 22 the wholesale market and, provided that the commission has not notified the distribution company 23that the renewable energy certificates should be retained to facilitate reaching emission reduction  $\mathbf{24}$ targets pursuant to RSA 362-F:3, shall sell the purchased renewable energy certificates to minimize 25the costs to ratepayers under the contract. If a distribution company sells the purchased energy into  $\mathbf{26}$ the wholesale market and sells the renewable energy certificates, the distribution company shall net  $\mathbf{27}$ the cost of payments made to projects under the contracts against the net proceeds obtained from the 28 sale of energy and renewable energy certificates, and the difference shall be credited or charged to 29all distribution customers through a uniform fully reconciling annual factor in distribution rates, 30 subject to review and approval of the commission.

II. If a distribution company sells the purchased energy into the wholesale spot market and auctions the renewable energy certificates as described in this section, the distribution company shall net the cost of payments made to projects under the contracts against the net proceeds obtained from the sale of energy and renewable energy certificates, and the difference shall be credited or charged to all distribution customers through a uniform fully reconciling annual factor in distribution rates, subject to review and approval of the commission.

#### Amendment to SB 151-FN - Page 6 -

1	III. The commission shall conduct periodic reviews to determine the impact on the energy
2	and renewable energy certificate markets of the disposition of energy and renewable energy
3	certificates under this section and may issue reports recommending legislative changes if it
4	determines that actions are being taken that will adversely affect the energy and renewable energy
5	certificate markets.
6	362-F:20 Renewable Energy Procurement Committee. There is established the renewable
7	energy procurement committee (REPC).
8	I. The REPC shall consist of the following members:
9	(a) An individual familiar with New Hampshire energy distribution and economic
10	development, who shall serve as chair, appointed by the governor.
11	(b) The commissioner of the department of business and economic affairs, or designee.
12	(c) The commissioner of the department of environmental services, or designee.
13	(d) The executive director of the fish and game department, or designee.
14	(e) One representative of energy distribution companies, appointed by the governor.
15	(f) One representative of labor, appointed by the president of the NH AFL-CIO.
16	(g) One representative of commercial or recreational fisheries, appointed by the
17	governor.
18	(h) An attorney from the department of justice, designated by the attorney general, with
19	experience in energy procurement, who shall serve in a nonvoting, advisory capacity to the
20	committee.
21	II. Members of the REPC shall serve without compensation. Appointed members shall each
22	serve a term of 3 years.
23	III. The REPC shall, in coordination with other states in the control area of the regional
24	independent system operator, in coordination with states in a neighboring control area or on behalf
25	of New Hampshire alone, solicit proposals, in one solicitation or multiple solicitations, from
26	providers of renewable energy, in accordance with RSA 362-F:17, and select proposals for electric
27	distribution company submission to the commission.
28	IV. In solicitation and selection of proposals for offshore wind development, the REPC shall
29	require selected bidders to include a plan to engage in a good faith negotiation of a project labor
30	agreement for laborers, workers, and mechanics performing construction activities within the United
31	States with respect to the project. Any solicitation issued pursuant to this section shall specify the
32	minimum terms that such project labor agreements shall address.
33	V. In responding to any solicitations issued pursuant to this section, a bidder may include
34	such bidder's plans for the use of skilled labor, including, but not limited to, for any construction and
35	manufacturing components of the proposal including any outreach, hiring, and referral systems, or

36 any combination thereof, that are affiliated with an apprenticeship training program and other

workforce development education and training programs recognized by the New Hampshire
 department employment security.

VI. In responding to any solicitations issued pursuant to this section that involve activities 3 in New Hampshire, including state waters, a bidder shall demonstrate that it has prepared or will 4 5 prepared for the Bureau of Ocean Energy Management an environmental, fisheries, and transit 6 lanes mitigation plan for the construction and operation of such offshore wind facilities, provided 7 such plan shall include, but not be limited to, an explicit description of the best management 8 practices the bidder will employ that are informed by the latest science at the time the proposal is 9 made that will avoid, minimize, and mitigate any impacts to wildlife, natural resources, ecosystems, 10 and traditional or existing water-dependent uses, including, but not limited to, commercial and 11 recreational fishing, and transit lanes. For each solicitation issued pursuant to this section, the 12commissioner of the department of environmental services and the executive director of the New 13Hampshire fish and game department shall inform the REPC concerning its input to the bidder on 14 best practices for avoiding, minimizing, and mitigating any impacts to wildlife, natural resources, 15 ecosystems, and traditional or existing water-dependent uses, including, but not limited to. 16 commercial and recreational fishing, and transit lanes, during the construction and operation of facilities eligible pursuant to this section. 17

18 VII. The REPC shall select, and the commission shall contract with, an independent evaluator to monitor and report on the solicitation and bid selection process in order to assist the 19 20 REPC in determining whether a proposal received pursuant to this section is reasonable and to be 21selected for submission to the commission in its consideration of contracts filed for approval. To  $\mathbf{22}$ ensure an open, fair, and transparent solicitation, and a bid selection process that is not unduly 23influenced by an affiliated company, the independent evaluator shall issue a report to the 24 commission analyzing the timetable and method of solicitation and the solicitation process 25implemented by the distribution companies and the REPC and include recommendations, if any, for 26improving the process. Upon the opening of an investigation by the commission into a proposed 27 contract for a winning bid proposal, the independent evaluator shall file a report with the  $\mathbf{28}$ commission summarizing and analyzing the solicitation and the bid selection process, and providing 29 its independent assessment of whether all bids were evaluated in a fair and non-discriminatory 30 manner. The independent evaluator shall have access to all information and data related to the 31 competitive solicitation and bid selection process necessary to fulfill the purposes of this subsection, 32but shall ensure all proprietary information remains confidential. The commission shall consider 33 the findings of the independent evaluator and may adopt recommendations made by the independent 34 evaluator as a condition for approval. If the independent evaluator concludes in the findings that 35 the solicitation and bid selection of a contract was not fair and objective and that the process was 36 substantially prejudiced as a result, the commission shall reject the contract. The public utilities'

#### Amendment to SB 151-FN - Page 8 -

- cost of evaluation shall be directly assessed to the state's distribution utilities and the New 1  $\mathbf{2}$ Hampshire Electric Cooperative as authorized by the public utilities commission. 3 VIII. The REPC shall consult interested parties and provide opportunities for submission of 4 information in public meetings or other means by members of the public in the process of solicitation 5 of proposals. 6 IX. The representatives of energy distribution companies on the REPC shall not participate 7 in the selection of procurement proposals. 8 X. The REPC shall report on its activities annually to the governor, the senate president, 9 the speaker of the house of representatives, and to the commission on offshore wind and port 10 development established in RSA 374-F:10. 11 XI. All reasonable costs associated with the REPC solicitation and review of proposals 12 pursuant to this section shall be recoverable through the same fully reconciling rate component for 13 all customers of the electric distribution companies. 14 362-F:21 Energy and Capacity Requirements Report. On or before January 1, 2022, and 15 biennially thereafter, the commission, in consultation with the electric distribution companies, shall 16 prepare an assessment of: 17 I. The energy and capacity requirements of customers for the next 5 years. 18 II. The manner of and how best to manage growth in electric demand. 19 III. How best to level electric demand in the state by reducing peak demand and shifting 20demand to off-peak periods.  $\mathbf{21}$ IV. The impact of current and projected environmental standards, including, but not limited 22 to, those related to greenhouse gas emissions and the federal Clean Air Act goals and how different 23resources could help achieve those standards and goals.  $\mathbf{24}$ V. Energy security and economic risks associated with potential energy resources. 25VI. The estimated lifetime cost and availability of potential energy resources.
- 26 2 Effective Date. This act shall take effect 60 days after its passage.

#### Amendment to SB 151-FN - Page 9 -

2021-0795 s

#### AMENDED ANALYSIS

This bill establishes a program for the procurement of renewable energy and the financing of offshore wind energy generation resources in New Hampshire, upon recommendation of the renewable energy procurement commission established in the bill, through the solicitation and development of contracts with distribution companies by the public utilities commission.

Sen. Watters, Dist 4 March 29, 2021 2021-1043s 10/06

#### Amendment to SB 151-FN

1 Amend RSA 362-F:17, I as inserted by section 1 of the bill by replacing it with the following:

2

I. In order to facilitate the procurement of renewable energy generation and the financing of offshore wind energy generation resources not later than December 1, 2023, or a date determined by the governor, the renewable energy procurement committee (REPC) shall solicit proposals for offshore wind energy generation and other renewable energy generation resources; and, provided that reasonable proposals have been received, the REPC shall select proposals for energy distribution company submission to the commission. Such submission shall occur following approval of the governor.

10

11 Amend RSA 362-F:19, I as inserted by section 1 of the bill by replacing it with the following:

12

13 I. A distribution company may elect to use any energy purchased under such contracts for sale to its customers and may elect to retain renewable energy certificates to meet the applicable 14 annual renewable portfolio standard requirements under RSA 362-F:6. If the energy and renewable 15 16 energy certificates are not so used, the distribution companies shall sell the purchased energy into 17the wholesale market and, provided that the commission has not notified the distribution company 18 that the renewable energy certificates should be retained to facilitate reaching renewable energy generation targets pursuant to RSA 362-F:3, shall sell the purchased renewable energy certificates 19 to minimize the costs to ratepayers under the contract. If a distribution company sells the 20purchased energy into the wholesale market and sells the renewable energy certificates, the  $\mathbf{21}$  $\mathbf{22}$ distribution company shall net the cost of payments made to projects under the contracts against the net proceeds obtained from the sale of energy and renewable energy certificates, and the difference 23shall be credited or charged to all distribution customers through a uniform fully reconciling annual 24 factor in distribution rates, subject to review and approval of the commission. 25

26 27

Amend RSA 362-F:19, III as inserted by section 1 of the bill by replacing it with the following:

28

III. The commission shall conduct a review after procurement process completion under RSA
 362-F:17 to determine the impact on the energy and renewable energy certificate markets of the
 disposition of energy and renewable energy certificates under this subdivision and may issue a

#### Amendment to SB 151-FN - Page 2 -

report recommending legislative changes if it determines that actions are being taken that will.
 adversely affect the energy and renewable energy certificate markets.

3

Amend the introductory paragraph of RSA 362-F:21 as inserted by section 1 of the bill by replacing it
with the following:

6

7 362-F:21 Energy and Capacity Requirements Report. On or before January 1, 2025, the 8 commission, in consultation with the electric distribution companies, shall prepare an assessment of:

# 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: March 3, 2021

#### **HEARINGS**

Monday		03/08/202	03/08/2021			
	(Day)	(Date)	(Date)			
Energy and Natural Resources		<b>REMOTE 000</b>	1:00 p.m.			
(Name of Committee)		(Place)	(Time)			
1:00 p.m.	SB 151-FN	relative to renewable energy procurement.				

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/99515195745

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: +13017158592,,99515195745# or +13126266799,,99515195745#

4. Webinar ID: 995 1519 5745

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

Sponsors: SB 151-FN Sen. Watters Sen. Soucy

Sen. Perkins Kwoka Rep. Cushing Sen. Sherman

Sen. Rosenwald

Griffin Roberge 271-3042

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

## Senate Energy and Natural Resources Committee Griffin Roberge 271-3042

SB 151-FN, relative to renewable energy procurement.

Hearing Date: March 8, 2021.

Time Opened:1:04 p.m.Time Closed:3:20 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 establishes a program for the procurement of renewable energy and the financing of offshore wind energy generation resources in New Hampshire, upon recommendation of the renewable energy procurement commission established in the bill, through the solicitation and development of long-term contracts with distribution companies by the public utilities commission.

#### **Sponsors**:

Sen. Watters	Sen. Perkins Kwoka	Sen. Sherman
Sen. Rosenwald	Sen. Soucy	Rep. Cushing

Who supports the bill: Reney Allen: John Atherton: Bill Baber, Dover, NH; Pierre Baudet; Dorothy Bauer; Rebecca Beaulieu; Bruce Berk, Pittsfield, NH; Rob Balkeney; Sandra Blanchard; Doug Bogen, Seacoast Anti-Pollution League; Brenda Bouchard; Lisa Bouchard; Mary Boyle; Ben Bradbury-Koster; Ronald Briggs; Claire Brown; Susan Bruce; Catherine Bushueff; Michael Caplan, Olivewood Energy; Joanne Casino; Brett Cherrington; Robert Cissel; Martha Clark; Ann Craxton; Edward Craxton; Dorothy Currier; Larry Daloz; Claudia Damon; Suellen Davidson; Richard DeMark; Karen Dewey; Jeremiah Dickinson; Jeff Donald; Samantha Douston; Dori Drachman; Robert Drysdale; Susan Dunker; Susan Durling; Maureen Ellerman; Nicole Fordey; Ed Friedrich: Laurie Gordon; Debra Green; Nancy Greenwood; Kent Hackmann; Jen Hall; Doris Hampton; Troy Hartmann; Randy Hayes; David Henderson; Amber Hewett, NH Audubon and the National Wildlife Federation; Mel Hinebauch; Robert Hinkel; Lucinda Hope; Joel Huberman; Jaroslav Hutar; Claudia Istel; Nancy Jachim; Deborah Jakubowksi; Andrew Jones; Margaret Keeler; Robert Keene; Helmut Koch; Laurie Koch; Lila Kohrman-Glaser; Joy Kubit; Joseph Kwasnik; Gail Laker-Phelps; Regan Lamphier; Ruth Larson; Kyle Leach; Lyn Lindpaintner; Janet Lucas; Jonna Mackin; Linda Mattlage; Kenneth Mayne; Amanda Merrill; Lucas Meyer; Frank Miles: Nancy Miles: Walter Milliken: Madeleine Mineau, Clean Energy NH; Robin Mower; Herbert Moyer; Marie Nardino; Elizabeth Nelson; Linnea Nemeth; Betsey Neville; Rebecca Newberry, The BlueGreen Alliance; Jim O'Brien, The Nature Conservancy; Sara Olson; Stephanie Osborne; Evan Oxenham; Representative Lee Oxenham, Sullivan - District 1; Kristen Palleiko; Ruth Perencevich; Senator Rebecca Perkins Kwoka, NH Senate District 21; Charles Petruccelli; Maxine Petruccelli; Thomas Pfau; Teresa Picard; Andrew Provencher, Olivewood Energy; Cora King-Quisumbing; William Radzelovage; Arthur Rand; Mary Raven; Donna Reardon; John Reardon; Annie Rettew; Charles Rhoades; Dennis Robison; Senator Cindy Rosenwald, NH Senate District 13; Mary Schissel; Susan Shamel; Senator Tom Sherman, NH Senate District 24; Cliff Sinnott; Rick Smart; Jennifer Smith; Sara Smith; Susan Smith; Richard Spence; Susan Spence; James Spielman; Kathy Spielman; Maddy Springfield; Kathy Staub; Thomas Tallon; Julie Thompson; Jeanne Torpey; John Tuthill; Dana van der Bijl; Laura Vincent; Cynthia Walter, Dover, NH; Senator David Watters, NH Senate District 4; Daniel Weeks, ReVision Energy; Ken Wells; Rob Werner, League of Conservation Voters; Christie West; Stuart White; Frank Wiggins; Gail Wild; Mary Wilke; Jamie Young; Charles Zoeller; Karen Zurheide.

Who opposes the bill: Dan Collins, New England Power Generators Association; David McConville.

Who is neutral on the bill: David Creer, Business and Industry Association; Elizabeth Donohue, Eversource; Nick Krakoff, Conservation Law Foundation; Donald Kreis, Office of the Consumer Advocate; Heidi Kroll, Granite State Hydropower Association; Fred Ward, Stoddard, NH.

#### Summary of testimony presented in support:

## Senator David Watters

NH Senate District 4

- SB 151-FN is the result of Governor Sununu's leadership on developing offshore wind. In January 2019, Governor Sununu requested the establishment of an intergovernmental offshore wind renewable energy task force for NH. This led to the creation of the Bureau of Ocean Energy Management's (BOEM) Gulf of Maine Intergovernmental Renewable Energy Task Force, which includes representation from NH, MA, ME, and federal officials. Offshore wind is a developing resource along the Atlantic coast and the Gulf of Maine has some of the best wind resources in the world. Developing offshore wind in this area could lead to economic development, job growth, and lower cost energy.
- There are already 30 gigawatts (GWs) of offshore wind capacity, \$120-180 billion dollars of investment, and tens of thousands of jobs created along the eastern US coast. There could be \$20-30 billion dollars of investment and 25,000 new jobs in pre-development construction and maintenance in the Gulf of Maine
- SB 668-FN-A (2020) was later included in HB 1245, which established the Commission to Study Offshore Wind and Port Development and Office of Offshore Wind Industry Development in the NH Department of Business and Economic Affairs. The Commission has been meeting regularly. An area within the Gulf of Maine could be identified and leased within 1-2 years. Offshore wind construction could come in 5-7 years.
- There are three important questions to consider for renewable energy procurement:
  - Will procurement result in the lowest possible cost for ratepayers? The most recent contract that has gone out for Vineyard Wind was roughly five cents per kilowatt (kW). This price is competitive, and every time more capacity is installed, there is a 17% decrease in cost. This could be very low-cost power.
  - Will procurement leverage industry investment? Yes. Other states are seeing major investments in job development and economic growth.
  - Do we need procurement now? Yes. Offshore wind development could thrive in the Port of Portsmouth, bringing manufacturing and important supply chains to the seacoast region. The NH Department of Business and Economic Affairs can help facilitate these industries. Acting now will give NH the opportunity to take advantage of large procurements to the south of NH. Eversource Energy and other utilities believe they can pick up pieces of those procurements for low rates for NH's electric consumers and get NH ready for a Gulf of Maine offshore wind project.
- SB 151-FN is designed, at every point, to give authority to the Governor: he appoints those who look at procurement proposals, he can unilaterally act on whether any procurement goes forward, and it outlines the criteria whereby those decisions can be made. The NH ratepayer is considered throughout the process.
- Senator Watters noted that the definitions in SB 151-FN may need to be amended after his recent discussions with PUC's legal counsel to clarify the role of RPS eligible facilities in the procurement process.
- SB 151-FN sets up a two-stage process for facilitating the procurement of renewable energy. This process is modeled on what other states have done. The first stage creates the renewable energy procurement committee (REPC) that will solicit offshore proposals from developers and electric distribution companies

through a competitive bidding process. The governor appoints the REPC members and approves selected proposals for energy distribution company submission to the Public Utilities Commission (PUC). The REPC is required to select an independent evaluator to monitor and report on the solicitation and bid selection process to assist the REPC in determining various proposals. The second stage includes approval by the which will consider several criteria in whether to approve a proposal.

- Because of the Gulf of Maine is a tri-state project and the ability of utilities to get better pricing in a multistate solicitation, solicitations may be coordinated and issued jointly with other New England states within ISO-NE or entities designated by those states.
- Distribution companies may conduct one or more competitive solicitations through a staggered procurement schedule development by the distribution companies and the REPC, provided that the schedule ensures that distribution companies enter into cost-effective long-term contracts for offshore wind energy generation and other renewable energy sources up to 800 MWs of aggregate nameplate capacity, but no less than 600 MWs of aggregate nameplate capacity of offshore wind energy generation resources.
- Any proposed long-term contract shall be subject to PUC review and approval. The PUC is required to adopt administrative rules for this review. Those rules shall provide for the annual remuneration for the contracting distribution company up to 2.75% of the annual payments under the contract to compensate the company for accepting the financial obligation of the long-term contract. This is modeled on what other states have done and will give the distribution company some stability. The rules must also require associated transmission costs to be incorporated in a proposal, the mitigation of transmission costs, and the avoidance of line loss.
- Agreements can be approved if the PUC determines that the clean energy resources to be used by a developer under the proposal meet several criteria, such being cost effective, reliable, and minimizing impact on the environment.
- The bill enables a distribution company to use any energy purchased for sale to its customers or to retain renewable energy certificates (RECs) to meet renewable portfolio standard (RPS) requirements.
- SB 151-FN requires two reports: 1) the PUC shall make periodic reviews to determine the impact on the energy and REC markets of the disposition of energy and RECs, and 2) the PUC shall offer biennially a Energy and Capacity Requirements Report on the procurement process. This report will detail the energy and capacity requirements of customers for the next five years, the best way to manage growth in electrical demand, and how to reduce peak demand and shift demand to off-peak periods.

#### Rob Werner

#### NH State Director, League of Conservation Voters

- Renewable energy procurement can result in strong economic development and provide clean energy.
- SB 151-FN builds upon Governor Sununu's work in calling for the creation of the BOEM Task Force, the work done by Office of Offshore Wind Industry Development, and the Commission to Study Offshore Wind and Port Development.
- There have been major developments in offshore wind in other states like VA that is seeing a lot of industry investment.

#### Rebecca Newberry – provided written testimony

Northeast Program Manager, The BlueGreen Alliance

- Procurements will drive economic investment and revitalization in our region and give us the leverage we need to build a prosperous economy.
- Strongly support the language on Page 7, lines 1-11 that detail requirements for project labor agreements and state recognized apprenticeship programs. Both are needed to capture the full potential of offshore wind. Project Labor Agreements provide comprehensive guidance and set mutual expectations for large projects and open the door to domestic supply chain development. An apprenticeship utilization standard requires a certain percentage of a project's workforce be enrolled in, or have graduated from a certified apprenticeship program, and can reduce the risk of cost overruns or substandard work due to poorly trained workers.
- Recommend adding local hire criteria to the PUC's evaluation criteria under 362-F:18: local hire requirements can create jobs and generate economic activity within the state that funded or otherwise enabled the project. In Minnesota, studies show that use of a 10%-30% local workforce to build 1.4 GW of new wind projects would generate \$41 to \$57 million in local economic activity. This impact of course increases alongside the percentage of local hires.
- Recommended prioritizing projects that will source a high percentage of components of the projects from USbased manufacturers: One way to increase economic growth is to require bidders to demonstrate in their proposals the percentage of materials the project will source from the United States. As the industry grows,

sourcing components domestically represents a significant opportunity to help revitalize American manufacturing. The Special Initiative for Offshore Wind's recent white paper predicts an almost \$70 billion buildout of U.S. offshore wind supply chain by calculating growth in many sectors.

#### $Cynthia\ Walter-provided\ written\ testimony$

Dover, NH

- Advocated for all parties to collaborate on wind turbine planning to avoid environmental impacts. Impacts on wildlife are best handled early in planning a proposal.
- Senator Watters noted that BOEM does major environmental reviews. The Commission to Study Offshore Wind and Port Development has fishermen at the table. SB 151-FN is not a vehicle to regulate BOEM, but the bill requires any developers to use available science and to thoroughly consult with fisherman and scientists when they have a proposal to bring to the REPC.

#### Amber Hewett - provided written testimony

Senior Campaign Manager, Offshore Wind Energy, National Wildlife Federation, also representing the NH Audubon

- Supported the responsible development of offshore wind power. Stringent wildlife protection measures should be in place and in a manner that provides economic opportunities to local communities and the workforce. The requirements for an environmental and fisheries mitigation plan are important provisions.
- Offshore wind generation is not a new idea there are nearly 6,000 wind turbines around the world. Only seven are in the US. Offshore wind is a valuable and cost-effective resource, especially during winter price spikes. Should there be increased risk to ratepayers, there are valves in SB 151-FN to minimize that risk.
- Recommended raising the minimum total offshore wind procurement to 800 MW and removing the maximum, enable the REPC to determine which submitted proposal is in the best interest of NH ratepayers.
- Recommended removing the 2.75% remuneration for the contracting distribution company the obligation of entering a long-term contract is hardly a financial burden, and certainly not one that should be passed onto the ratepayer.
- Senator Avard said he appreciates the benefits of offshore wind. However, some have concerns about wind impacts on bird populations. He asked how offshore wind may impact bird populations.
  - Ms. Hewett said the National Wildlife Federation and the NH Audubon endorses wind projects that protect wildlife and ecosystems. Provisions need to be in place to ensure wildlife protection. The location of an offshore wind always plays an important role so as not to disrupt migratory bird patterns. There is data to illustrate where these migratory patterns occur. The further offshore a wind farm is developed, the less risk to bird populations. National Wildlife Federation and the NH
    - Audubon are at the table working with regulators and policymakers to ensure wildlife protection.

#### Doug Bogen

Director, Seacoast Anti-Pollution League

- NH needs to create new, local, cleaner power sources. NH has no indigenous fossil fuel sources NH spends its energy dollars out of state.
- The US Department of Energy study determined thousands of MWs can be developed off the Atlantic shore.

#### Brett Cherrington

Chair, Hillsborough Energy Commission, representing himself

- SB 151-FN is a good step to address the environmental and ecological crisis.
- The fossil fuel industry has received plenty of subsidies and offshore wind can be cost effective.
- Support blocking large-scale hydro from the procurement process. Eligibility should be opened to NH's RPS eligible facilities.

#### Madeleine Mineau – provided written testimony

Executive Director, Clean Energy NH (CENH)

- Support the concept of renewable energy procurement as an important step to encourage the new renewable generation development, as well as to support existing renewable generation. Other New England states have resulted in very competitively priced bids.
- CENH has a few concerns with SB 151-FN:
  - All technologies that qualify under the RPS should be eligible to take participate in renewable energy procurement.
  - In the definition of "clean energy generation," there is a reference to "new class I renewable portfolio standard resources" which are defined as offshore wind specifically, and "new Class I RPS eligible

resources that are firmed up with firm service hydroelectric generation". CENH recommends that new and existing class I eligible resources be included in the procurement and that class I resources not be required to be "firmed up" by hydropower. Class I renewables include baseload dispatchable resources and some hydropower resources. Therefore, the additional hydro requirement is not necessary. CENH encourages the consideration of separate and additional procurement for existing and new renewable electricity sources, such as 200 MWs existing renewable and 200 MWs new renewable in addition to the offshore wind specific capacity allocation.

- Though the offshore wind procurement requires "no less than 600 megawatts," the total procurement is "up to 800 megawatts." This means the additional 200 MWs of other renewable procurement is possible but optional. If the procurement goes forward, there should be more certainty around the additional procurement amount for other renewable technologies.
- Unclear why the 2.75% annual payment to the utilities would be necessary as it is not typically added in similar RFP processes in other states.
- Some requirements for "guaranteed energy delivery in winter months" and "hydroelectric generation provided without interruption" are concerning to us. For any technology, fossil, nuclear, or clean, some generation interruptions are beyond the control of the generator such as extreme weather events and equipment or interconnection failure. Reasonable allowance for such circumstances should be considered. A generator's performance can be considered as a review criterion of proposals received.
- The direct economic benefits to NH should be a criterion in evaluating projects. In addition, projects that are interconnected within the NH grid should be favored to avoid significant new transmission expense and transmission line siting challenges.
- In section III, while a determination of "cost effective" can be objective using a cost-benefit analysis, a "low cost" seems subjective and potentially conflicting with "cost effective".
- Senator Watters asked if Ms. Mineau had any language suggestions.
- Ms. Mineau said she could work with Senator Watters to offer specific language changes.
- Senator Avard asked Ms. Mineau to respond to 600-800 MW procurement.
  - Ms. Mineau said the size of an offshore wind project must be significant to generate any interest. CENH cannot comment on what the specific size should be, but there could be flexibility for other renewable resources.
- Senator Avard mentioned Ms. Kroll's concerns with a procurement's impact on default service. He asked if Ms. Mineau shared Ms. Kroll's concerns.
  - Ms. Mineau was unsure how procurement would impact default service. It may be a good idea to clarify that.
- Senator Avard clarified that CENH does not want to see local renewable facilities put at risk.
  - Ms. Mineau said Senator Avard was correct. CENH wants to protect existing facilities and encourage new development and generation.
- Senator Watters said SB 151-FN is not the only chance NH will have at renewable energy procurement. He noted that MA started out at a 1,600 MW procurement, then doubled it to 3,200 MWs. The NH General Court could come back and make an additional procurement.
  - Ms. Mineau said Senator Watters was correct. Many states that have started procurements and come back to double down.

#### Lucas Meyer

• Detailed a personal experience when he traveled to Europe in October 2018 and saw the continent's progress on offshore wind development. SB 151-FN will move NH toward a clean energy economy and promote economic development.

#### Michael Caplan – provided written testimony

President, Olivewood Energy

- Outlined several changes to SB 151-FN to prioritize cost-effective, resilient, market-based energy policies:
  - Protect ratepayers from transmission costs and market volatility by requiring the delivery of energy to NH. NH has significant offshore wind resources and is pursuing a responsible process of stakeholder engagement to determine how to use that resource. The nascent state of that process means that a contract for offshore wind selected in an SB 151-based RFP would likely be a project landing in southern New England which creates significant risk for NH.

- Increase competition through clear scoring criteria that prioritize cost-effectiveness the value of the products proposed by any technology and in-state economic benefits while removing criteria that appear to have the same intent but may be less direct.
- Layering positions through multiple RFPs avoids timing the market.

#### Dan Weeks

Director of Market Development, ReVision Energy

- Fossil fuel generation has benefitted greatly from subsidies over the past century. However, transitions should occur to a clean energy future. Renewable energy is needed to combat the climate crisis. NH is experiencing climate change effects: declining moose population, warmer winters, etc.
- Some state action is needed to transition to renewable sources so that the state and the region can benefit.

#### Summary of testimony presented in opposition:

#### Dan Collins – provided written testimony

Director of Government Affairs, New England Power Generators Association (NEPGA)

- In 1996, NH enacted its restructuring law with the objective of introducing competition and market efficiencies for the benefit of its consumers. This market structure has driven competition between generators for more cost-effective and efficient outcomes and shifted risk from utility ratepayers to private investors. Over the last 25 years, competitive forces have produced tens of billions of dollars in capital investments in power plants with a focus on reliability, competitive pricing, and increased efficiency. Since 2004, wholesale energy prices in New England have decreased by 51%.
- In addition, competitive market forces, coupled with low-cost fuel and certain public policies, have also resulted in a cleaner, more efficient fleet of power plants in the region. Since 1990, power plants in New England have decreased carbon dioxide (CO2) emissions by 50% the most of any sector of the economy over the same period according to recent data released by the U.S. Energy Information Agency.
- SB 151-FN represents a stark move away from the competitive electricity market NH helped pioneer, and back to a centrally planned structure with consumers shouldering the costs and risks of above-market contracts that could last as long as 30 years.
- Resources that receive NH-mandated long-term contracts would undermine the commercial viability of more cost-effective generation that provides system reliability as well as low- and zero-carbon resources some located in NH. For generators that depend on the competitive markets to earn sufficient revenues to maintain operations, that means the lost market opportunities will have to be made up somewhere else, potentially through other consumer-guaranteed contracts.
- SB 151-FN is a solution imported from MA and CT. The amount of renewable capacity allowed under the contracts far exceeds NH's electricity needs. Procuring up to 800 MW of renewables would account for 30% of the total electric load in NH. That level of procurement carves out a significant share of the retail market already served reliably and more cost-effectively by the competitive market. Allowing 800 MW of subsidized renewables also takes up a disproportionate share of NH's RPS requirement, which would suppress the REC prices that existing renewables developers rely upon to finance their projects in NH.
- NH has already experienced the downside of out-of-market arrangements. In 2006, Public Service of NH (now known as Eversource Energy), then the owner of the Merrimack Station coal-fired power plant in Bow, sought and received legislative approval for what Eversource estimated would be \$250 million for a scrubber to reduce sulfur dioxide emissions from the plant. Instead, the costs for the environmental controls ballooned to \$420 million a 70% cost overrun. Eversource was not only entitled to recover the \$420 million in cost overruns from its NH ratepayers, but it also earned a 9.81% rate of return.
- SB 151 would permit contracting electric utilities to receive annual remuneration of up to 2.75% of the annual payments under each contract just for signing the contracts. This is an unnecessary cost that only provides the utility with another guaranteed revenue stream, the cost of which would be borne by ratepayers already committed to paying above-market contract prices. The utilities claim that this is necessary for accepting the financial obligation, but this is a laughable measure when the cost of the contracts is guaranteed by NH consumers.
- There are regional efforts to market reforms rather than state-mandated procurement contracts. These regional forums, such as the states-led New England Energy Vision, are focused on designing a wholesale market that can leverage the cost and reliability benefits of the competitive markets while also addressing state energy and climate-related laws and policies. NH is participating in these discussions, which kicked off in early 2021.

- Senator Watters asked if it would be fair to say that offshore wind developers are separate entities from electric distribution utilities, meaning the restructuring statute is adhered to.
  - Mr. Collins said the bigger issue is the prospect of long-term contracting. Ratepayers would pay for these contracts, returning to a pre-restructuring scenario. SB 151-FN is a carve out for segments of the market. NEPGA is not against wind power but is concerned with the way SB 151-FN develops those resources for clean energy attributes or economic development. NEPGA is working on enhancements in energy markets to make clean energy goals aligned. A market-based approach should be pursued rather than submitting ratepayers to 20 to 30-year contracts.
- Senator Watters noted that NH's ratepayers have seen winter peaks lead to cost increases. Contracts for offshore wind, such as in NY, do not place customers on the hook for these costs. SB 151-FN seeks to model that approach to ensure protections for NH's ratepayers. The offshore wind industry is coming. He asked if it would be benefits for NH to do something now to ensure NH has an advantageous position.
  - Mr. Collins said the industry is coming, but there is time for NH to look at what other states are doing and to determine the best course, even if it is to create a supply chain or promote a specific technology. A market-based solution is needed to ensure ratepayers are not burdened. While some technologies look innovative today, they may be outdated in a few short years. NH needs to be cautious.
- Senator Avard asked how SB 151-FN will affect the wholesale market.
  - Mr. Collins said that when energy resources like offshore wind that are getting an out of market payment, then those resources can bid into the wholesale energy market at a lower price. That suppresses energy prices for all energy generators. A competitive energy generator is then dependent on a lower market price while certain expenses have not gone away. Such a market environment makes it difficult for existing competitive energy generators to recoup expenses and to operate.
- Senator Avard clarified that NEPGA is not against wind as an energy resource but is concerned about procurement contracts having a suppressive effect on the wholesale energy market.
  - Mr. Collins said that NEPGA is agnostic about energy resources. NEPGA wants to find marketbased solutions to generation issues.
- Senator Avard asked where he could find NEPGA's concerns about the cost of long-term contracts
  - Ms. Collins referred to provisions in the bill about 15 to 30-year contracts where those costs must recover from ratepayers.

#### **Neutral Information Presented:**

#### Elizabeth Donahue

#### Eversource Energy

- Eversource Energy is neutral on SB 151-FN. The decision to move forward with clean energy procurement is a public policy decision. If the NH General Court believes such a policy is prudent, Eversource Energy wants to ensure the process is as smooth and low-cost as possible.
- Renewable energy procurements are nothing new in New England. CT, RI, MA have issued multiple procurements. It would do well for NH to review what those states have done, as well as what utilities have experienced in those procurements.
- Senator Watters asked if procurement may be a good vehicle to ensure good, long-term prices for renewable energy.
  - Ms. Donahue said yes. States that do procurements see a known, stable price over a long time period rather than buying power on the spot market.
- Senator Watters noted that there are large-scale procurements out of other New England states. He asked if Eversource Energy could get access to those procurements because of a project's size and its favorable prices.
  - o Ms. Donahue said she could not speak to that precisely. Getting the lowest price is a utility's goal.
- Senator Watters noted that Eversource Energy has partnered with Orsted, a major developer on renewable energy projects along the East Coast. He asked If Eversource Energy believed that procurements help leverage industry investment in a state.
  - o Ms. Donahue said procurements have leveraged industry investment, particularly in RI and NY.

#### Don Kreis – provided written testimony

#### Consumer Advocate, Office of the Consumer Advocate (OCA)

• NH's restructuring took business risk for electric generation investments off NH's ratepayers and put it onto the backs of investors. Since that time, NH's policymakers have undertaken various efforts to transfer some of that risk back onto customers, such as requiring the installation of a mercury scrubber at Merrimack

Station, natural gas pipeline capacity, purchasing generation from biomass plants, or net-metered distribution. Under SB 151-FN, ratepayers are being asked to take on the risk that power from offshore wind facilities will not be competitive with other sources of wholesale electricity. The OCA asks the NH General Court to acknowledge the burden that ratepayers would be forced to assume.

- Including the cost of renewable energy in non-bypassable electric distribution rates would violate the "used and useful" principle. This principle means the only assets and entitlements that should be in distribution rates are those that are used and useful in the provision of distribution service – i.e., poles, wires, transformers, etc. Under this rubric, generation costs have no more place in electric distribution rates than would costs associated with broadband deployment or water supply. Offshore wind energy is not used and useful in the provision of distribution service.
- Recommended that SB 151-FN be amended to remove the Consumer Advocate from the REPC. Serving on the REPC would be an inconsistent role for the OCA. The OCA is to advocate for the pursuit of ratepayer-favorable actions by others (regulators, utilities, policymakers, etc.) as opposed to assuming responsibility for achieving such outcomes ourselves.
- Senator Watters agreed that the OCA should be removed from the REPC.
- Senator Watters asked if it would be fair to say that courts have taken a position to NH's restructuring than the OCA's interpretation.
  - Mr. Kreis referenced the NH Supreme Court's ruling on May 22, 2018 in the Appeal of Algonquin Gas Transmission, LLC, which ruled that "the primary intent of the legislature in enacting [restructuring] was to reduce electricity costs to consumers." He noted his support of Justice Hicks dissenting opinion, who found that restructuring's aim was to introduce competition to the generation of electricity. Ultimately, policymakers decide how to define restructuring and whether SB 151-FN is the way to go. To the OCA, restructuring's aim was to reduce ratepayer costs by promoting competition.
- Senator Watters acknowledged that he wrote SB 151-FN knowing the court's position on restructuring. The issue of risk and who assumes it is why there are so many valves built into SB 151-FN to ensure that there is no burden on ratepayers.
  - Mr. Kreis acknowledged that while he has concerns with SB 151-FN, it is well drafted to minimize the possibility that any long-term power purchase agreement would prove uneconomical over the long run. Such provisions like regional solicitation, staggered procurement, and requiring PUC approval of long-term contracts help make SB 151-FN better legislation.
- Senator Avard mentioned a utility's supplier and their capital investments. He asked if that supplier should assume the risk in a procurement process.
  - Mr. Kreis said the investments are made by those who are not regulated utilities. Eversource Energy is in the offshore wind business but is doing so through an unregulated subsidiary. SB 151-FN keeps with NH's restructuring by not regulating utilities investing in generation that's the business of competitive firms. Procurements are investments due to their long-term commitment and they guarantee a revenue stream to those competitive firms that will give them certainty to build wind facilities. Therefore, there is some business risk placed on the shoulders of ratepayers.
- Senator Watters asked if it would be fair to say the proposition of layered contracts helps make sure ratepayers are not stuck in a long-term contract, that the state can judge market factors and whether the risk is too much for ratepayers.
  - Mr. Kreis agreed that layered contracts is a good risk mitigation strategy but entering a new 20-year contract every year means the state is still dealing with 20 years of commitment.

#### Kat Bourque & Rob Furino

Director of Government Affairs, Unitil Director of Energy Contracts, Unitil

- Is procurement essential? Yes. These types of investments do not occur without long-term contracts. A state sponsored solicited bidding process can help develop market interest. There has been some onshore wind generation that has been contracted by the market, but it may be hard to see for offshore wind generation. There is a lot of precedent for long-term contracts.
- Will procurement result in low costs? Procurement could help generate low to moderate energy costs. There is no fuel price risk in offshore wind generation. Mayflower Wind contracts were roughly seven cents per kW. Multi-state procurements for small states like NH makes sense. Unitil was involved in one multi-state procurement that was not necessarily easy. There were trade-offs, but it could decrease valuation burden and increase market interest.

- Requiring 600-800 MWs from renewable sources for long-term contracts seems a bit large for NH, even for Unitil. Unitil's share would cover 20-30% of peak requirements and close to 60% of annual energy requirements based on 2019 energy consumption of Unitil's customer base.
- The timelines in SB 151-FN may be a bit too aggressive.
- Renumeration is important to maintain the financial stability of electric utilities. State policy should support the contracts on a utility's balance sheet. It would be best if SB 151-FN specifically stated a percentage for the renumeration rather than offering a limit like up to 2.75%. This could leave a lot of room for interpretation by regulators and the courts.
- Placing an independent evaluator on the REPC allows for transparency.
- As far as undoing restructuring, electric distribution utilities not investing in assets. Unitil makes sure the contracts are performance-based contracts. The utility and utility's customers are paying for production. If the facility is not producing, Unitil is not paying. Therefore, the risk is on the developer.
- Senator Watters asked if it made sense to amend SB 151-FN to just create a procurement up to 800 MW requirement and be technology neutral. It would also ensure that a utility does not get too involved in any one procurement.
  - Mr. Furino said that Unitil covers 10% of NH. If there was a procurement for 600 MWs, Unitil may get 60 MWs through the process. In 2020, Unitil needed 275 MWs for its customer base.

#### Heidi Kroll

Government Relations Advisor and Policy Analyst, Gallagher, Callahan, and Gartrell, representing Granite State Hydropower Association

- SB 151-FN would benefit from further stakeholder review. There were a few concerns:
  - NH's RPS Class IV resources, which include existing hydroelectric facilities, are mentioned on page 1, lines 8 and 17-18. However, SB 151-FN seems tailored exclusively to large scale offshore wind projects and not RPS eligible facilities. There should be clear, separate solicitation and selection requirements for new resources versus existing resources.
  - The responsibilities and the decision-making authorities the PUC, the REPC, the governor, and the electric distribution utilities should be clarified. There was a lack of clarity in what roles the different authorities would have.
  - There is a specific carve out for offshore wind in the 600-800 MW solicitation requirement, but there is not a specific carve out for RPS eligible renewable resources. Therefore, no RPS eligible facilities may be solicited.
  - Unclear how the solicitation would fit into the existing default energy service that electric distribution facilities currently offer.
  - The remuneration of 2.75% to electric distribution utilities does not seemed warranted or needed. This remuneration could lead to higher energy costs.
  - Unsure if the deadline to facilitate procurement by June 30, 2022 is achievable or whether more time is needed.
- Senator Avard asked for Ms. Kroll to explain the annual payment to electric distribution utilities.
  - Ms. Kroll said there is an annual renumeration for the contracting distribution company to receive up to 2.75% of the annual payments under the contract to compensate the company for accepting the financial obligation of the long-term contract. Senator Watters had explained the annual payment was to address the large risk that utilities would take. This risk would ultimately fall on the ratepayers and not the utility, increasing energy costs.
- Senator Avard asked Ms. Kroll to explain what default service is.
  - Ms. Kroll said that every six months, an electric distribution utility goes out and procures power for consumers who have not opted to get their power from a competitive supplier or third-party supplier. SB 151-FN is unclear in how the long-term solicitation would fit into the default service solicitation process.
- Senator Watters said he wanted to make sure small hydroelectric facilities are not left out. He referenced his earlier comments in talking with PUC's legal counsel to change SB 151-FN's definition to exclude large-scale importation of hydroelectric power and favoring facilities that qualify under the RPS.
  - o Ms. Kroll said she had heard Senator Watters' comments.

Nick Krakoff – provided written testimony Staff Attorney, Conservation Law Foundation – NH

- An offshore wind procurement would substantially benefit NH. This will reduce pollution from fossil fuel generated power. Renewable energy production will address the impacts of climate change. Offshore wind components will be good for NH's economy and workers.
- SB 151-FN should be amended to preclude biomass procurements. Biomass has non-renewable attributes and results in net CO2 and particulate matter emissions. It can take decades or even a century for replacement forests to remove the CO2 emitted from biomass plants. The language could result in biomass procurements from out of state.

#### David Creer – provided written testimony

Director of Public Policy, Business and Industry Association

• Express concern with language that reads "provided that reasonable proposals have been received." Reasonableness can be a subjective standard that is dependent on the person making the decision. A reasonable proposal could mean an RFP that would result in no increase in electricity costs to ratepayers or it could mean an RFP with the least increase in costs to ratepayers compared to other proposals. The term "reasonable" should have a concrete definition.

## Fred Ward – provided written testimony

Stoddard, NH

- As a meteorologist, Mr. Ward noted that weather-driven generation sources should not be deemed reliable.
- Recommended the inclusion of technical members on the REPC, such as an astrologist, a meteorologist, and an individual familiar with analyzing large time-series of data. He referenced his experience with the SEC and its Antrim Wind Energy proceedings.
- Senator Watters asked if Mr. Ward was aware that the REPC was focused primarily on the solicitation process. The REPC has no role in the siting of offshore wind as that is the focus of the BOEM, which is technically staffed. He also noted that the Commission to Study Offshore Wind and Port Development has been meeting regularly and Mr. Ward is welcome to attend.

#### Jasen Stock

Executive Director, NH Timberland Owners Association

- NH is the 2<sup>nd</sup> most forested state in NH. Biomass power is an important part of NH's forest products industry and a vital part of the state's RPS.
- Agreed with Ms. Kroll and Ms. Mineau's testimony about the need for clarity that existing RPS eligible resources be included in SB 151-FN. Biomass energy is baseload power, which is a real asset, and uses NH's homegrown fuel: wood.

GJR Date Hearing Report completed: March 8, 2021. Speakers

## Senate Remote Testify

## Energy and Natural Resources Committee Testify List for Bill SB151 on 2021-03-08 Support: 145 Oppose: 2 Neutral: 7 Total to Testify: 20

Name	Email Address	Phone	<u>Title</u>	Representing	<u>Position</u>	<b>Testifing</b>	Signed Up
Werner, Rob	rob_werner@lcv.org	603-674-9810	A Lobbyist	League of Conservation Voters	Support	Yes	3/5/2021 4:57 PM
Newberry, Rebecca	rnewberry@bluegreenalliance.org	603-779-9092	A Member of the Public	The BlueGreen Alliance	Support	Yes	3/5/2021 5:05 PM
Collins, Dan	dcollins@nepga.org	339-236-0433	A Lobbyist	New England Power Generators Association	Oppose	Yes	3/5/2021 12:39 PM
Watters, Scnator David	david.watters@leg.state.nh.us	603-271-2104	An Elected Official	Myself (SD 4)	Support	Yes	3/4/2021 8:05 AM
Kreis, Donald	donald.m.kreis@oca.nh.gov	603-271-1174	State Agency Staff	Office of the Consumer Advocate	Neutral	Yes	3/4/2021 7:48 PM
Walter, Ph.D., Cynthia	cawalter22@gmail.com	412-610-4327	A Member of the Public	Myself	Support	Yes	3/6/2021 10:33 AM
Krakoff, Nick	nkrakoff@clf.org	207-691-7970	A Lobbyist	Conservation Law Foundation	Neutral	Yes	3/6/2021 1:19 PM
Ward, Fred	drfred@myfairpoint.net	16034462312	A Member of the Public	Myself	Neutral	Yes	3/6/2021 1:43 PM
Kroll, Heidi	kroll@gcglaw.com	603-496-2345	A Lobbyist	Granite State Hydropower Association	Neutral	Yes	3/7/2021 10:22 PM
Picard, Teresa	terrymcpicard@yahoo.com	16037421985	A Member of the Public	Myself	Support	Yes	3/7/2021 12:03 PM
Donohue, Elizabeth	elizabeth.donohue@eversource.com	Not Given	A Lobbyist	Eversource	Neutral	Yes	3/8/2021 8:50 AM
Caplan, Michael	mike@olivewoodenergy.com	Not Given	A Member of the Public	Olivewood Energy	Support	Yes	3/8/2021 10:59 AM
Hewett, Amber	hewetta@nwf.org	978.518.6888	A Member of the Public	New Hampshire Audubon & National Wildlife Federation	Support	Yes	3/8/2021 11:26 AM
Bogen, Doug	dbogen@metrocast.net	603-664-2696	A Member of the Public	Seacoast Anti-Pollution League	Support	Yes	3/5/2021 1:23 PM
Cherrington, Brett	brettacherrington@gmail.com	603-913-4078	A Member of the Public	Myself	Support	Yes	3/8/2021 8:29 AM
Mineau, Madeleine	madeleine@cleanenergynh.org	607-592-6184	A Lobbyist	Clean Energy NH	Support	Yes	3/8/2021 11:52 AM
Krakoff, Nicholas	Not Given	Not Given	A Lobbyist	Conservation Law Foundation	Neutral	Yes	3/8/2021 1:08 PM
Creer, David	dcreer@BIAofNH.com	603.224.5388	A Lobbyist	BIA	Neutral	Yes	3/8/2021 10:50 AM
OBrien, Jim	jim_obrien@tnc.org	603.856.5378	A Lobbyist	The Nature Conservancy	Support	Yes	3/8/2021 12:54 PM
Meyer, Lucas	lucassmeyer@gmail.com	603.568.2511	A Member of the Public	Myself	Support	Yes	3/8/2021 9:36 AM
thompson, julie	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 10:21 AM
BERK, BRUCE	bruce.berk.nh@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 10:45 AM
Durling, Susan	suedurling603@gmail.com	603.496.4783	A Member of the Public	Myself	Support	No	3/8/2021 3:23 PM
Weeks, Daniel	dweeks@revisionenergy.com	603.264.2877	A Member of the Public	ReVision Energy	Support	No	3/8/2021 1:21 PM

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Laker-Phelps, Gail	lpsart@tds.net	603.798.5394	A Member of the Public	Myself	Support	No	3/8/2021 4:48 PM
Jones, Andrew	arj11718@yahoo.com	443,863.8448	A Member of the Public	Myself	Support	No	3/8/2021 10:51 AM
Reardon, Donna	bugs42953@aol.com	603.224.8151	A Member of the Public	Myself	Support	No	3/8/2021 12:00 PM
Reardon, John	bugs42953@gmail.com	603.224.8151	A Member of the Public	Myself	Support	No	3/8/2021 12:02 PM
Daloz, Larry	larry.daloz@gmail.com	603.277.9129	A Member of the Public	Myself	Support	No	3/8/2021 9:47 AM
Provencher, Andrew	andrew@olivewoodenergy.com	603.377.6994	A Lobbyist	Olivewood Energy	Support	No	3/8/2021 9:54 AM
West, Christie	christiemwest@gmail.com	603.320.6261	A Member of the Public	Myself	Support	No	3/8/2021 7:32 PM
Green, Debra	laffalot37@gmail.com	603.562.8177	A Member of the Public	Myself	Support	No	3/8/2021 9:15 PM
Mayne, Kenneth	kbmayne@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 9:15 PM
Dewey, Karen	pkdewey@comcast.net	603.504.2813	A Member of the Public	Myself	Support	No	3/8/2021 8:34 AM
Allen, Renay	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 2:23 PM
Keeler, Margaret	peg5keeler@gmail.com	603-491-4689	A Member of the Public	Myself	Support	No	3/8/2021 11:26 AM
Kohrman-Glaser, Lila	lila.kohrmanglaser@gmail.com	203.733.9704	A Member of the Public	Myself	Support	No	3/7/2021 8:01 PM
Hampton, Doris	dandmhamp38@gmail.com	603.783.4418	A Member of the Public	Myself	Support	No	3/7/2021 8:06 PM
Clark, Martha	mctraveler1@comcast.net	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 8:30 PM
Baudet, Pierre	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 8:31 PM
Wild, Gail	Gailwild@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 8:31 PM
Hayes, Randy	rcompostr@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 8:32 PM
Wiggins, Frank	Frankwigginsconstruction@comcast.net	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 8:32 PM
Donald, Jeff	jdonald@protonmail.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 8:33 PM
Nardino, Marie	mdnardino@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 8:34 PM
Rettew, Annie	abrettew@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 8:35 PM
BOUCHARD, LISA	batdoe@yahoo.com	603.382.5487	A Member of the Public	Myself	Support	No	3/7/2021 8:39 PM
Radzelovage, William	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 8:41 PM
Smith, Sara	sara.rose.ssmith@gmail.com	603.738.6264	A Member of the Public	Myself	Support	No	3/7/2021 8:45 PM
Hinebauch, Mel	melhinebauch@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 8:49 PM
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Miles, Nancy	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 9:16 PM
Miles, Frank	fbsmil3@gmail.com	603 277 9323	A Member of the Public	Myself	Support	No	3/7/2021 9:18 PM
zurheide, karen	zurheides@aol.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 10:38 PM
Bouchard, Brenda	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 11:16 AM
Rand, Arthur	overcliff@comcast.net	603-277-9208	A Member of the Public	Myself	Support	No	3/8/2021 11:18 AM
Mower, Robin	melodyofharpists@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 8:50 AM
Lucas, Janet	janluca1953@gmail.com	16037267614	A Member of the Public	Myself	Support	No	3/8/2021 8:53 AM
Greenwood, Nancy	nancgreenwood@yahoo.com	603.226.2471	A Member of the Public	Myself	Support	No	3/7/2021 7:35 PM
Briggs, Ronald	Rongb1950@gmail.com	603.226.2471	A Member of the Public	Myself	Support	No	3/7/2021 7:36 PM
Jakubowski, Deborah	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 9:48 PM

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Lindpaintner, Lyn	lynlin@bluewin.ch	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 10:03 PM
Damon, Claudia	cordsdamon@gmail.com	603.226.4561	A Member of the Public	Myself	Support	No	3/7/2021 10:09 PM
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Tuthill, John	jtuthill@sover.net	603.863.6366	A Member of the Public	Myself	Support	No	3/7/2021 10:15 PM
Shamel, Susan	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 8:58 AM
Brown, Claire	clairehonorebrown@gmail.com	603.343.1573	A Member of the Public	Myself	Support	No	3/8/2021 8:59 AM
Koch, Helmut	helmut.koch.2001@gmail.com	603.491.3306	A Member of the Public	Myself	Support	No	3/8/2021 9:02 AM
Tallon, Thomas	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 12:14 PM
White, Stuart	stu3778@gmail.com	802.359.3058	A Member of the Public	myself	Support	No	3/7/2021 2:44 PM
Dunker, Susan	Sedunker15@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 4:45 PM
RHOADES, CHARLES	chuckrhoades@comcast.net	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 5:35 PM
van der Bijl, Dana	dana@vanderb.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 5:37 PM
Hackmann, Kent	hackmann@uidaho.edu	16039343225	A Member of the Public	Myself	Support	No	3/7/2021 5:44 PM
Larson, Ruth	ruthlarson@msn.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 5:48 PM
Torpey, Jeanne	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 5:55 PM
Mackin, Jonna	jonnamackin1@gmail.com	603-643-9359	A Member of the Public	Myself	Support	No	3/7/2021 7:08 PM
Cissel, Robert	rcissel@gmail.com	603.714.2543	A Member of the Public	Myself	Support	No	3/7/2021 7:09 PM
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Vincent, Laura	lvlauravincent5@gmail.com	603.783.4849	A Member of the Public	Myself	Support	No	3/7/2021 9:23 PM
Mattlage, Linda	l.mattlage@gmail.com	16034960172	A Member of the Public	Myself	Support	No	3/7/2021 9:33 PM
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Lamphier, Regan	ReganBurkeLamphier@gmail.com	603.264.9391	A Member of the Public	Myself	Support	No	3/8/2021 12:15 AM
Spielman, Kathy	jspielman@comcast.net	16033977879	A Member of the Public	Myself	Support	No	3/8/2021 6:09 AM
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Boyle, Mary	mary.n.boyle@gmail.com	603.252.7898	A Member of the Public	Myself - NH RESIDENT	Support	No	3/8/2021 7:09 AM
Jachim, Nancy	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 7:23 AM
ellermann, maureen	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 7:32 AM
Wilke, Mary	wilke.mary@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 7:40 AM
Istel, Claudia	claudia@sover.net	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 11:57 PM
Rosenwald, Cindy	cindy.rosenwald@leg.state.nh.us	603.566.0586	An Elected Official	SD 13	Support	No	3/8/2021 12:23 AM
Milliken, Walter	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 12:28 AM
FRIEDRICH, ED	erfriedrich@yahoo.com	781.775.9397	A Member of the Public	Myself	Support	No	3/8/2021 7:58 AM
Leach, Kyle	outleft@metrocast.net	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 8:06 AM
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Koch, Laurie	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 8:13 AM
Smith, Susan	Susan.h.smith2@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/8/2021 8:17 AM
Dickinson, Jeremiah	dacha@comcast.net	617-653-8328	A Member of the Public	Myself	Support	No	3/8/2021 8:26 AM
Young, Jamie	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 8:41 AM
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Merrill, Amanda	mandymerrill60@gmail.com	603.969.9900	A Member of the Public	Myself	Support	No	3/7/2021 10:58 AM
Nemeth, Linnea	Inemeth1024@gmail.com	603.348.0820	A Member of the Public	Myself	Support	No	3/7/2021 12:38 PM
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Osborne, Stephanie	Osbornestephanie@me.com	Not Given	A Member of the Public	Myself	Support	No	3/6/2021 5:49 PM
McConville, David	dmc2015@comcast.net	603.801.0187	A Member of the Public	Myself	Oppose	No	3/7/2021 12:49 PM
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Keene, Robert	dmdsmile@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 3:11 PM
Craxton, Ann	ascraxton@yahoo.com	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 3:58 PM
Zoeller, Charles	caz3328@comcast.nct	603.437.1824	A Member of the Public	Myself	Support	No	3/7/2021 5:30 PM
Neville, Betsey	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 6:42 PM
blakeney, rob	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 6:42 PM
Blanchard, Sandra	sandyblanchard3@gmail.com	603.724.3768	A Member of the Public	Myself	Support	No	3/7/2021 6:47 PM
Smart, Rick	Richardsmart@comcast.net	Not Given	A Member of the Public	Myself	Support	No	3/7/2021 7:30 PM
Fordey, Nicole	nikkif610@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/6/2021 7:56 PM
Moyer, Herbert	Not Given	603-772-6910	A Member of the Public	Myself	Support	No	3/6/2021 3:37 PM
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DeMark, Richard	demarknh114@gmail.com	603.520.5582	A Member of the Public	Myself	Support	No	3/6/2021 4:29 PM
Hall, Jen	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/6/2021 5:59 PM
Quisumbing-King, Cora	coraq@comcast.net	Not Given	A Member of the Public	Myself	Support	No	3/6/2021 12:22 PM
Pfau, Thomas	tompfau15@gmail.com	603.731.1581	A Member of the Public	Myself	Support	No	3/6/2021 1:01 PM
Spence, Richard	rtssds2@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/6/2021 1:41 PM
Atherton, John	jmatherton.3@gmail.com	412-610-0134	A Member of the Public	Myself	Support	No	3/6/2021 10:36 AM
Baber`, Bill	wsbaber@gmail.com	603.749.5969	A Member of the Public	Myself	Support	No	3/6/2021 11:02 AM
Kubit, Joy	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 6:09 PM
Oxenham, Lee	leeoxenham@comcast.net	603.727.9368	An Elected Official	Sullivan Co., District 1	Support	No	3/6/2021 12:05 PM
Hope, Lucinda	lmhope46@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/6/2021 12:07 PM
Nelson, Elizabeth	BethDavid@comcast.net	603.505.5617	A Member of the Public	Myself	Support	No	3/6/2021 12:15 PM
Douston, Samantha	smnthrsdstn@gmail.com	603.809.2132	A Member of the Public	Myself	Support	No	3/5/2021 10:21 AM
Staub, Kathy	kstaub@comcast.net	603.624.0249	A Member of the Public	Myself	Support	No	3/5/2021 10:28 AM

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Springfield, Maddy	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 10:58 AM
Sherman, Senator Tom	jennifer.horgan@leg.state.nh.us	271-7875	An Elected Official	SD24	Support	No	3/4/2021 11:42 AM
Beaulieu, Rebecca	rebeccaeb9495@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 9:47 AM
Perkins Kwoka, Senator Rebecca	rebecca.perkinskwoka@leg.state.nh.us	603-271-2104	An Elected Official	Myself (SD 21)	Support	No	3/5/2021 12:51 PM
Oxenham, Evan	evan.oxenham@gmail.com	603.727.9368	A Member of the Public	Myself	Support	No	3/5/2021 2:43 PM
Bradbury-Koster, Ben	Benbradkost@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 3:29 PM
Sinnott, Cliff	cliffsinnott@gmail.com	603.553.5707	A Member of the Public	Myself	Support	No	3/5/2021 4:16 PM
Hartmann, Troy	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 4:23 PM
Drachman, Dori	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 5:52 PM
Gordon, Laurie	Lmgord23@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 7:36 PM
Wells, Ken	kenwells3@gmail.com	603.735.5756	A Member of the Public	Myself	Support	No	3/5/2021 5:46 PM
Palleiko, Kristen	kw.palleiko@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 6:41 PM
Currier, Dorothy	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 7:09 PM
Huberman, Joel	joel.huberman@gmail.com	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 7:57 PM
Hutar, Jaroslav	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/5/2021 8:07 PM
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Raven, Mary	Not Given	Not Given	A Member of the Public	Myself	Support	No	3/6/2021 7:48 AM
Casino, Joanne	joannecasino@comcast.net	603.746.3491	A Member of the Public	Myself	Support	No	3/6/2021 7:54 AM
Robison, Dennis	robisode@yahoo.com	603.643.2448	A Member of the Public	Myself	Support	No	3/6/2021 8:46 AM
kwasnik, joseph	jkwasnik25@gmail.com	603.730.7148	A Member of the Public	Myself	Support	No	3/6/2021 8:50 AM

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# Testimony

From:	drfred@myfairpoint.net
Sent:	Wednesday, March 03, 2021 10:05 AM
То:	Griffin Roberge
Subject:	SB151

E-mail to: griffin.roberge@leg.state.nh.us

To: Kevin Avard, Chair, and members of the Energy and Natural Resources Committee Having read SB 151, I have the following proposed changes, for your consideration. Explanations follow. I plan to testify at the hearings.

#### PROPOSED AMENDMENTS TO SENATE BILL 151-FN

ADD to RSA 362-F:20, I, the following:

(j) An individual with extensive education and experience in meteorology, including the analysis of geographical and topographical effects on climate data.

(k) An individual with extensive education and experience in astronomy, and the effects of meteorology and topography on astronomical data.

(1) An individual with extensive education and experience in the analysis of large time-series of data, especially series with embedded harmonics.

ADD after 362-F17, first sentence, "renewable resources", "including nuclear".

ADD to 362-F:16, a section which defines "Energy Diversity", as stated in 362-F:18 (j)

ADD to 362-F:16, a section which defines "best", as stated +in 362-F:21, II and III,

ADD a section on "Disputed Facts" as follows:

After all parties have testified and presented their "facts", each party will submit a list of disputed facts and the reasons for their disputation (25 words or less???). The committee shall address each and every disputed fact, and rule on each one as follows: (1) the testimony of one party will be accepted, or (2) the disputed facts are not relevant to the committee's decision, or (3) propose an alternative resolution.

#### GENERAL REASONS FOR THESE CHANGES:

The current SEC committees have shown a proclivity for simply ignoring facts that they don't agree with, or have no valid reason for disputing. So they have adopted as policy to pretend FACTS simply did not exist. In Japan, it's called MOKUSATSU, ignore it and hope it will go away! From the standpoint of a participant in SEC proceedings, it is currently impossible to "force" an SEC Committee to even acknowledge certain facts, let alone decide between conflicting facts. This approach cannot be allowed to continue.

Since this new entity (REPC) will come under the control of the same groups and individuals as are on the current SEC, it's fair to look at how the current SEC operates. The short answer is that the current SEC has in the past, and continues to the present day, operated with an approach that "they know best". We have an on-going, current example of this attitude in the appeals against the violations of the agreed limits on sound levels by AWE (Antrim Wind Energy). After very contentious hearings and appeals all the way to the NH Supreme Court, AWE received a permit for nine huge (1/5 of a mile high along an elevated and exposed ridge in Antrim NH.

A current, but not unusual example. Last July 2020, after many neighbors to the AWE facility complained of excessive noise which violated the agreed SEC limits, the SEC held a hearing to discuss the complaints. It was recessed without any decisions, to some, unspecified, date. In December 2020, after some inquiries as to the continuation of the hearing, the SEC said they had had their hearing in the prior month, November 23rd, 2020, and that it was noticed on their website. Since everyone reads their website with their morning paper, of course it was noticed. However, in every one of the years of hearings on the AWE facility, the SEC had sent such notices to a list of interested parties. But not this time. The AWE and their attorneys were at this secret hearing, but none of the neighbors, nor other interested parties.

Many of the interested, but ignored, parties to the proceedings have sent written questions and made many criticisms, few of which to date have been acknowledged. No date has been set to pick up the extension of the secret November 2020 hearing, but there is a rapidly approaching date for another "test" by the AWE contractor. The conduct of this test has been and still is being disputed by many of the ignored public. The SEC plan seems to be to delay any resumption of the hearings until after this next test.

One of the central criticisms which the SEC continues to ignore is the timing of the sound levels from the AWE facility. They are currently being measured at 1/8th of a second intervals. But the "expert" hired by the SEC tests only 10-minute averages. Imagine a firing range in which there are a few very loud sounds every minute, with long, multi-second, silences in between. 10-minute averages of a few very loud sounds with many silences would "AVERAGE" very quiet levels of sound. The AWE turbines have at least one harmonic period due to the passage of the turbine lades past the supporting post, causing the sound levels to go up and down. Averaging these ups and downs yields a lower sound level more than sufficient to bring the AWE sound levels just under the agreed criteria.

The SEC has decided apparently to ignore such problems, and with no date in sight for the continuation of the hearings, there is little that the public, and particularly the neighbors, can do. It is imperative that this not be repeated with the REPC.

In conclusion, the behavior of the SEC in the current environment has been disgraceful, and deliberately so. Since this REPC legislation proposes to empower these same entities, there is reason to be very careful in creating a similarly unconstrained entity. These proposed modifications are minimum constraints.

#### SPECIFIC REASONS FOR ADDITION OF TECHNICAL MEMBERS:

Since this bill is intended to extend and enhance the amount of renewable energy, and since the focus of most of the added renewable energies are wind, solar and hydroelectric, and since these energy sources are directly driven by, and subject to the variability of, sunshine, rain and wind, this will necessarily require extended discussions of many meteorological and astronomical issues, including the choice of experts, and the ability to understand the reasons for any disagreements between experts. Since turbines are always sited on elevated and isolated hills, both the astronomical and meteorological issues are very dependent on the associated geography and topography.

#### SPECIFIC REASONS FOR ADDING "Nuclear":

The reason for including "nuclear" is simply that without nuclear, there is no way to go even close to green. The easiest way to see this is to simply calculate the number of 1/5 mile high windmills to replace a large facility (coal, nuclear, etc.). That number is about 1000, coveri]ng every suitable hill, ridge and mountain in the state, each wi]th flashing red lights, Christmas 365 night of the year. Similarly, replacement by a solar farm would require about 30 square miles of forests, farms, or ??? And NH will require four of these to cover our electric needs. And what do we do on the many cloudy, calm days in New Hampshire?

#### SPECIFIC REASONS FOR ADDING "Disputed Facts":

Since many of the fundamental technical and numerical facts presented to this committee by various experts will be disputed in whole or in part by other experts, a mechanism for their resolution by the committee will be required. The SEC has shown that they prefer to not even acknowledge, let alone adjudicate, many facts. This mechanism would be similar to that used in all court proceedings, that is the right to be challenged.

SPECIFIC REASONS for requiring definitions of "Energy Diversity" and "best": Do "Energy Diversity" and "best" include ALL sources, including idle fossil fuel plants? Do "Energy Diversity" and "best" speak to timing, reliability, environmental degradation? The REPC to be set up under this new RSA will be under the control of the present PUC. The PUC has shown by its actions in the past years to be (more than) biased, bordering on arrogance. This arrogance manifests itself in a strong, one might say overwhelming, tendency to ignore criticisms of both its behavior and its decisions. Another such agency is hardly the New Hampshire way!

Dr. Fred Ward 386 Route 123 South Stoddard, NH 03464 drfred@myfairpoint.net 603-446-2312

I have a BS, MS and PhD from MIT in meteorology. I have peer reviewed publications in both the meteorological and astronomical literature. I have testified as an expert witness in courts in New Hampshire, New England and around the US. I have participated in the SEC hearings on the Antrim Wind project for the last decade, and am still participating.

From:	Kreis, Donald <donald.m.kreis@oca.nh.gov></donald.m.kreis@oca.nh.gov>
Sent:	Thursday, March 04, 2021 8:00 PM
То:	Griffin Roberge
Cc:	Kevin Avard; Bob Giuda; James Gray; Rebecca Perkins Kwoka; David Watters; Jeb
	Bradley; Ellms, Christopher; Chicoine, Jared
Subject:	SB 151 testimony
Attachments:	sb 151 testimony.pdf

Dear Mr. Roberge:

Attached is my written testimony in connection with the upcoming hearing on the above-referenced bill. At the hearing, I hope to testify briefly so as to summarize my written remarks and to answer any questions from members of the committee. Thanks!

Sincerely, Don

# Donald M. Kreis

Consumer Advocate Office of the Consumer Advocate 21 South Fruit Street, Suite 18 Concord, New Hampshire 03301 603.271.1174 (direct line) CONSUMER ADVOCATE Donald M. Kreis

ASSISTANT CONSUMER ADVOCATE Pradip K. Chattopadhyay STATE OF NEW HAMPSHIRE



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March 8, 2021

# TESTIMONY OF CONSUMER ADVOCATE DONALD M. KREIS BEFORE THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES IN CONNECTION WITH SENATE BILL 151, RELATIVE TO RENEWABLE ENERGY PROCUREMENT

Chairman Avard and Honorable Members of the Committee:

The Office of the Consumer Advocate, which represents the interests of residential utility customers pursuant to RSA 363:28, is pleased to provide the following testimony concerning Senate Bill 151. As you know, the purpose of SB 151 is to encourage the development of offshore wind power resources and other forms of renewable electric generation.

We share the enthusiasm of the sponsors for offshore wind. The waters off the coast of New Hampshire and its neighboring states are the Saudia Arabia of offshore wind power. Developing this source of electricity is in the interest of residential utility customers because it offers them the prospect of power that is renewable, impervious to any future efforts to monetize the impact of carbon emissions, less likely to drive up transmission costs than terrestrial wind power projects , and (one would at least hope) reasonably affordable.

As you also know, SB 151 would encourage the development of wind power in the Gulf of Maine by creating a system of mandatory procurement via longterm contracts to which the state's electric "energy . . . distribution companies" would be the counterparties. SB 151 at 2, lines 2 and 19.<sup>1</sup> The bill guarantees that the energy distribution companies would be made whole, as necessary, via a "fully reconciling annual factor in distribution rates." *Id.* at 6, lines 1-2.

In other words, the bill joins a reasonably long line of prior initiatives to walk back electric industry restructuring in an effort to achieve desirable policy objectives.

When the General Court adopted and Governor Merrill signed the Electric Industry Restructuring Act (RSA Chapter 374-F) into law 25 years ago, the central purpose was "to reduce costs for all consumers of electricity by harnessing the power of competitive markets." RSA 374-F:1, I. In other words, because electricity generation was no longer (to the extent it ever was) a natural monopoly, the risk of generation investments going bad was removed from the backs of captive customers and transferred to where truly belonged – with non-captive investors.

<sup>&</sup>lt;sup>1</sup> References are to the as-introduced version of the bill.

#### Page 2

Since then, policymakers have undertaken various efforts – for laudable public policy reasons – to transfer some of that risk back to customers. I am thinking in particular of the \$425 million mercury scrubber at Merrimack Station, natural gas pipeline capacity, mandatory above-market purchases of energy produced by biomass plants using waste wood to create electricity, and net-metered distributed generation. Now, via SB 151, ratepayers are being asked to take on the risk that power from offshore wind facilities will not be competitive with other sources of wholesale electricity.

The Office of the Consumer Advocate takes no position on whether offshore wind power is so important to the public policy of New Hampshire that the state's electric ratepayers should stand behind this emerging technology. Rather, as we have done on similar occasions previously, we simply ask the General Court to acknowledge the burden that ratepayers would be forced to assume.

The drafters of SB 151 have done a commendable job of including provisions whose purpose is to minimize the possibility that any longterm power purchase agreements arising out of the legislation will prove to be uneconomical over the long run. The possibility of a regional solicitation – in which New Hampshire would combine forces with neighboring states - means we could spread the financial risk across a bigger swath of New England's electricity users. See SB 151 at 2, lines 7-8. Likewise, the measure calls for a "staggered" procurement schedule en route to approximately 800 megawatts of renewable capacity of which at least 600 megawatts must be offshore wind. Id. at lines 13 and 17-25. Any resulting contracts are subject to approval by the Public Utilities Commission, which must "consider the potential costs and benefits" of the agreements and may only endorse such a contract upon a finding that it is "a cost effective mechanism for procuring reliable renewable energy on a long-term basis." Id. at lines 30-36. The price must be "just and reasonable ... over the term of the contract." Id. at 4, lines 14-15. Not only that but the Commission must find that "the total energy security, reliability, environmental, and economic benefits to the state of New Hampsnire and its ratepayers exceed the costs" and, thus, that an approved contract is "commercially reasonable." Id. at 4, line 23 and 5, lines 1-4. From a ratepayer perspective, this is a veritable wardrobe full of belts and suspenders.

Moreover, SB 151 would not leave to the utilities the task of soliciting proposals and selecting those that best meet the statutory criteria. Instead, that task belongs to a newly established Renewable Energy Procurement Committee (REPC) that includes but is not limited to certain key state officials. *See id.* at 6, lines 14-29. These provisions have attracted my attention in particular because among the members of the REPC is me (or my successor).

However much I salute the intent of such inclusion – obviously, the sponsors of SB 151 believe the state's ratepayer advocate would be an effective voice in the room as renewable energy procurement possibilities are discussed and evaluated – I respectfully request that the Consumer Advocate *not* be named a member of the REPC. Although, unlike most public officials, I actually *do* have a crystal ball,<sup>2</sup> I am ill-suited to the task of guessing whether a 20-year deal for the purchase of offshore wind power or other forms of renewable energy will prove over the long term to have been a wise bargain.

<sup>&</sup>lt;sup>2</sup> I inherited the crystal ball from my late grandfather, Samuel A. Kreis, an entrepreneur who founded a company that helped bring containerized shipping to the New York City waterfront during the mid-20<sup>th</sup> Century. I'm told he received the crystal ball as a tribute to his ability to guess correctly what the longshoremen's unions would do as various labor disputes and contract negotiations unfolded. I do not believe I inherited my grandfather's prescience and/or business acumen.

#### Page 3

More to the point, such a role would be inconsistent with the purpose of the Office of the Consumer Advocate. Our job is to advocate for the pursuit of ratepayer-favorable actions by others (regulators, utilities, policymakers, etc.) as opposed to assuming responsibility for achieving such outcomes ourselves.

More generally, even if the REPC were comprised entirely of savvy deal-markers, grey eminences, and crystal ball owners, there would still be no guarantee that their deliberations would result in contracts that, over time, truly deliver benefits that exceed the costs from either a ratepayer perspective or a societal one. And, to paraphrase Shakespeare, there's the rub. The risk of longterm costs exceeding longterm benefits might be worth undertaking – but requiring *captive ratepayers* to assume that risk is not something a conscientious ratepayer advocate should willingly embrace. If nothing else, such a risk allocation would be, as I have already said, at odds with the letter and spirit of the Restructuring Act.

Including the cost of renewable energy in non-bypassable electric distribution rates would also violate the time-honored "used and useful" principle of utility law. Basically, the only assets and entitlements that should be in distribution rates are those that are used and useful in the provision of distribution service – i.e., poles, wires, transformers, &c. Under this rubric, generation costs have no more place in electric distribution rates than would costs associated with broadband deployment or water supply.

If some version of SB 151 is destined to become law, at the very least the financial responsibility should be spread among as many ratepayers as possible and allocated equitably among rate classes. In the as-introduced version of the bill, the term "distribution companies" (i.e., the counterparties to the renewable energy procurement contracts) is not defined. The term should be defined, with precision, as including not just investor-owned electric distribution companies but also the New Hampshire Electric Cooperative as well as the state's municipal electric departments. Further, the legislation should be amended to specify that residential ratepayers shall not be required to shoulder financial responsibility out of proportion to their share of retail load. Indeed, because commercial and industrial customers have, it would only be fair to expect commercial and industrial customers to assume a proportionally greater share of the financial risk here than do residential customers, particularly those of low income.

I commend the sponsors of Senate Bill 151 for their interest in robust development of offshore wind power in the Gulf of Maine. Count me among those who regard wind turbines, whether terrestrial or at sea, as beautiful industrial objects that will, some day, be as iconic of our era, our technology, and our yearnings as are the lighthouses, barns, and riverside mill complexes built by our predecessors in their eras. I wish you well as you determine how best to assure that New Hampshire gets the full benefit of offshore wind power and renewable energy generally.

Thank you for considering my views.

From: Sent: To: Subject: Attachments: Dan Collins <dcollins@nepga.org> Friday, March 05, 2021 12:48 PM Griffin Roberge NEPGA Written Testimony - SB 151 NEPGA Written Testimony SB 151.pdf

Griffin,

Please find attached written testimony on **SB 151**, *An Act Relative to Renewable Energy Procurement*, from the New England Power Generators Association (NEPGA). NEPGA thanks the Committee for this opportunity. I have also registered to testify in-person during the remote hearing.

Please contact me should you have any questions or require more information.

Sincerely,

Dan Collins

Daniel P. Collins Director of Government Affairs New England Power Generators Association <u>dcollins@nepga.org</u> office: 617 902-2344 mobile: 339 236-0433

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# The General Court of New Hampshire Senate Energy and Natural Resources Committee

# NEPGA Testimony SB 151, An Act Relative to Renewable Energy Procurement

# March 8, 2021

The New England Power Generators Association (NEPGA)<sup>1</sup> appreciates the opportunity to provide written comments on SB 151, *An Act Relative to Renewable Energy Procurement*. NEPGA opposes SB 151 because it would undermine the efficient operation of the region's competitive wholesale electricity markets and lead to increased costs and risk for New Hampshire's electricity consumers. NEPGA urges the Committee to allow regional stakeholder efforts to continue toward finding market-based solutions to meet New Hampshire's energy needs.

NEPGA is the trade association that represents competitive electric generating companies in New England. NEPGA's member companies account for over 90% of all generating capacity throughout New England – and over 4,000 MW in New Hampshire. NEPGA companies provide thousands of well-paying, highly skilled jobs to the state's workforce, pay millions of dollars in state and local taxes, and contribute millions of dollars in income taxes paid by employees.

# **Restructuring and the Benefits of Competition**

In 1996, New Hampshire enacted its restructuring law with the objective of introducing competition and market efficiencies for the benefit of its consumers. This market structure has driven competition between generators for more cost-effective and efficient outcomes and shifted risk from utility ratepayers to private investors. Over the last 25 years, competitive forces have produced tens of billions of dollars in capital investments in power plants with a focus on reliability, competitive pricing, and increased efficiency.

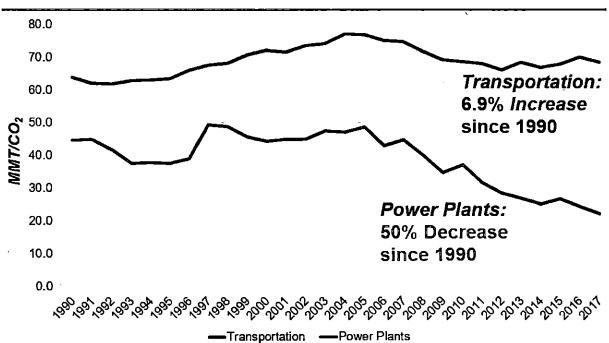
Since 2004, wholesale energy prices in New England have declined by 51% – a remarkable result made possible by investments in an open, competitive marketplace. In fact, the average annual wholesale electricity price in 2019 was \$30.67/MWh, the lowest price since full implementation of the region's competitive markets in 2003 (when calculated in 2019 dollars).<sup>2 3</sup>

<sup>&</sup>lt;sup>1</sup> The comments expressed herein represent those of NEPGA as an organization, but not necessarily those of any particular member.

<sup>&</sup>lt;sup>2</sup> https://www.iso-ne.com/static-assets/documents/2020/03/20200317 pr 2019-price-release.pdf

<sup>&</sup>lt;sup>3</sup> By comparison, New England transmission rates have increased by over 650% since 2004. <u>https://www.iso-ne.com/markets-operations/settlements/tariff-rates</u>

In addition, competitive market forces, coupled with low-cost fuel and certain public policies, have also resulted in a cleaner, more efficient fleet of power plants in the region. Since 1990, power plants in New England have decreased carbon dioxide (CO<sub>2</sub>) emissions by 50% – the most of any sector of the economy over the same period – according to recent data released by the U.S. Energy Information Agency.<sup>4</sup> Much of these reductions can be attributed to the innovations and efficiencies driven by private investment in the region's power plants following the restructuring of the region's electricity industry. Since 1999, the efficiency for power plants in New England improved by 22% - the equivalent of closing one of every five plants while providing the same amount of electricity output. In 2000, 40% of the electricity produced in New England was generated from coal and oil resources. Today, coal and oil plants together account for less than 1% of the region's resource mix.<sup>5</sup>



# New England transportation & power plant CO<sub>2</sub> emissions from 1990 to 2017

<sup>&</sup>lt;sup>4</sup> https://www.eia.gov/environment/emissions/state/

<sup>&</sup>lt;sup>5</sup> https://www.iso-ne.com/about/key-stats/resource-mix

#### SB 151

SB 151 represents a stark move away from the competitive electricity market New Hampshire helped pioneer, and back to a centrally planned structure with consumers shouldering the costs and risks of above-market contracts that could last as long as 30 years. This is the very scenario that restructuring was intended to avoid.

Resources that receive New Hampshire-mandated long-term contracts would undermine the commercial viability of more cost-effective generation that provides system reliability as well as low- and zero-carbon resources – some located in New Hampshire. For generators that depend on the competitive markets to earn sufficient revenues to maintain operations, that means the lost market opportunities will have to be made up somewhere else, potentially through other consumer-guaranteed contracts. Over time, the situation only becomes more challenging as additional state-supported resources enter the region's power system, further distorting market pricing and the cost benefits for New Hampshire's and other New England states' consumers.

Beyond this major policy and market concern, SB 151 appears to be a solution imported from places like Connecticut and Massachusetts. It simply does not fit for New Hampshire. Just one example is that the amount of renewable capacity allowed under the contracts far exceeds New Hampshire's electricity needs. Procuring up to 800 MW of renewables would account for 30% of the total electric load in New Hampshire. That level of procurement carves out a significant share of the retail market already served reliably and more cost-effectively by the competitive market. Allowing 800 MW of subsidized renewables also takes up a disproportionate share of New Hampshire's Renewable Portfolio Standard requirement, which would suppress the Renewable Energy Credit (REC) prices that existing renewables developers rely upon to finance their projects in New Hampshire.

New Hampshire has already experienced the downside of out-of-market arrangements. In fact, ratepayers continue to pay for those costly decisions. In 2006, Public Service of New Hampshire (now known as Eversource Energy), then the owner of the Merrimack Station coal-fired power plant in Bow, sought and received legislative approval for what Eversource estimated would be \$250 million for a scrubber to reduce sulfur dioxide emissions from the plant. Instead, the costs for the environmental controls ballooned to \$420 million – a 70% cost overrun. Eversource was not only entitled to recover the \$420 million in cost overruns from its New Hampshire ratepayers, but it also earned a 9.81% rate of return.

SB 151 would permit contracting electric utilities to receive annual remuneration of up to 2.75% of the annual payments under each contract just for signing the contracts. This is an unnecessary cost that only provides the utility with another guaranteed revenue stream, the cost of which would be borne by ratepayers already committed to paying above-market contract prices. The utilities claim that this is necessary for accepting the

financial obligation, but this is a laughable measure when the cost of the contracts is guaranteed by New Hampshire consumers.

New Hampshire does not need to make the choice forced by SB 151. There is another path forward offered by ongoing efforts to better align state policies on emissions and clean energy, with a competitive wholesale electricity market. These regional forums, such as the states-led New England Energy Vision, are focused on designing a wholesale market that can leverage the cost and reliability benefits of the competitive markets while also addressing state energy and climate-related laws and policies. New Hampshire is participating in these discussions, which kicked off in early 2021. NEPGA encourages the Committee to coordinate with other state policymakers to give New Hampshire a strong voice to help build the next generation of the electricity market in New England.

#### Conclusion

SB 151 would set New Hampshire well off the path it started on over 20 years ago when it chose competition over centrally-planned resource decisions with consumer guarantees. Since restructuring, the region's competitive wholesale markets have demonstrated value for consumers while insulating them from investment risk and producing a cleaner fleet of generating resources. NEPGA respectfully asks that the Committee not advance SB 151 and, instead, allow the region's wholesale electricity markets to help it meet its energy and climate goals.

Respectfully,

Daniel Collins Director of Government Affairs

From:Rebecca Newberry <rnewberry@bluegreenalliance.org>Sent:Friday, March 05, 2021 5:10 PMTo:Griffin RobergeSubject:SB151-FNAttachments:Written Testimony, 1.8.21 SB151-FN.pdf

Good afternoon Griffin,

I've attached written testimony for the hearing on SB151-FN scheduled for Monday at 1pm. I'm also planning on speaking.

Have a great weekend.

Rebecca

Rebecca Newberry BlueGreen Alliance Cell. 603-779-9092 www.bluegreenalliance.org



CREATING GOOD JOBS. A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

March 5th, 2021

Re: SB 151-FN, relative to renewable energy procurement. Sponsor: Sen. Watters.

Dear Chairman Avard and Senate Energy and Natural Resources Committee,

On behalf of my organization, our partners, and the millions of members and supporters they represent, I want to thank you for convening the hearing on Monday, March 8th on how New Hampshire can establish a program for procurement of offshore wind energy generation.

Offshore Wind generation provides an incredible opportunity to grow New Hampshire's economic development. Development of wind energy in our waters has great potential to create jobs while moving us towards the clean energy future needed to combat climate change.

We urge the State to develop a robust, sustainable and equitable industry that protects our valuable marine and coastal resources and maximizes job creation and economic benefits. Key components of this effort should address environmental protection, high-quality employment and work product, and community benefits. This will ensure we maximize the local economic benefits and climate benefits of launching this new clean energy industry.

America's first offshore wind project at Block Island is a great model of this potential. This project was the result of years of collaboration between labor, environmental organizations, industry, and key government officials and entities. It's five turbines began generating power off the coast of Rhode Island at the end of 2016. They produce enough clean, local energy to power 17,000 homes. The project put more than 300 people to work and employed electricians, welders, ironworkers, pipefitters, pile drivers, engineers, scientists, vessel operators, lawyers, and sales representatives. Now we have this opportunity in New Hampshire, and we must ensure we amplify the impacts to grow our economy by creating new family sustaining jobs.

We strongly support the language detailed on page 7, sections 4 and 5 of this bill regarding requirements for both Project Labor Agreements and state recognized apprenticeship programs. In order to truly capture the full benefits and potential of these projects, it is critical that they are built by skilled workers who are paid family-sustaining wages, with project labor agreements in place, and utilizing New Hampshire recognized apprenticeship programs. Project Labor Agreements provide comprehensive guidance and set mutual expectations for large projects, they are considered the gold standard of labor provisions by most building trades unions. There are tremendous local benefits to these agreements. Projects with PLA's in place attract and retain more skilled workers who do higher quality work and avoid delays and bid overruns, protect taxpayer money and ensure better project outcomes. An apprenticeship utilization standard requires a certain percentage of a project's workforce be enrolled in, or have graduated from, a certified apprenticeship program. Apprenticeship

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utilization can reduce the risk of cost overruns or substandard work due to poorly trained workers.

Project Labor Agreements also open the door to domestic supply chain development. In the absence of domestic supply chain or local content requirements, developers will source and import component parts entirely from Europe or Asia. By requiring projects to be constructed by Project Labor Act agreements, developers will have more opportunity to utilize components from deeper in the domestic supply chain for their projects.

Recommendations going forward are to:

- Add local hire criteria 362-F:18 Public Utilities Commission Evaluation Criteria. Local hire requirements can create jobs and generate economic activity within the state that funded or otherwise enabled the project. This impact is quite large; in Minnesota, studies show that use of a 10%-30% local workforce to build 1.4 GW of new wind projects would generate \$41 to \$57 million in local economic activity. This impact of course increases alongside the percentage of local hires.
- Prioritize projects that will source a high percentage of components of the projects from US based manufacturers. This is an opportunity to grow New Hampshire jobs. The economic welfare of the people of New Hampshire are inseparably linked to the preservation and development of domestic manufacturing. One way to increase economic growth is to require bidders to demonstrate in their proposals the percentage of materials the project will source from the United States. As the industry grows, sourcing components domestically represents a significant opportunity to help revitalize American manufacturing. The Special Initiative for Offshore Wind's recent white paper predicts an almost \$70 billion buildout of U.S. offshore wind supply chain by calculating growth in a number of sectors, which include wind turbines and towers; turbine and substation foundations; upland, export, and array cables; onshore and offshore substations; and marine support, insurance, and project management.

Procurements will drive economic investment and revitalization in our region and give us the leverage we need to build a prosperous economy. We support legislation that will accomplish these goals and ensure that New Hampshire takes full advantage of this burgeoning industry.

Rebecca Newberry, NorthEast Program Manager, BlueGreen Alliance

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From:denise kwasnik <drkwasnik@gmail.com>Sent:Saturday, March 06, 2021 12:10 PMTo:Griffin RobergeCc:joseph kwasnikSubject:Senate Bill 151FN-Submitted TestimonyAttachments:SB151KwasnikTestimony03062021.pdf

Senate Energy and Natural Resources Committee Please find attached a Word file containing my written testimony in support of SB151-FN. Regards, Joseph Kwasnik 54 Pleasant Street, Unit 8 Concord, NH 6037307148 March 6, 2021

Chairman Kevin Avard Senate energy and Natural Resources Committee New Hampshire Senate

RE: SB151-FN-AN ACT relative to renewable energy procurement-Citizen Testimony

Dear Chairman Avard:

I am today submitting written testimony in **support** of SB151-FN. My reasons for supporting the bill are as follows:

- 1. SB151-FN provides, for the first time in New Hampshire, a comprehensive program for the procurement of renewable energy, which incorporates the existing Renewable Portfolio Standard (RPS) requirements with the development of offshore wind energy resources off the shoreline of New Hampshire...a truly local energy resource.
- 2. SB151-FN establishes the renewable energy procurement committee, which will be the key to developing offshore wind resources for New Hampshire and meeting the ambitious schedule for developing these resources.
- 3. SB-151-FN also ensures that the offshore energy resources developed under this bill will meet specific criteria including enhancing the reliability of the electricity distribution network in New Hampshire, that the developed resources will be cost effective for electric ratepayers, allow for the pairing of the offshore generating resources with energy storage systems and creates energy source diversity for New Hampshire's electricity supply.
- 4. SB151-FN will greatly increase the amount of locally produced electricity and reduce our need to import electricity from out of state sources thus reducing the amount of our energy dollars exported to out of state generating sources, reducing the costs of transmission and increasing the resilience of our distribution system.

All of these positive aspects of SB151-FN are in the best interests of New Hampshire electric ratepayers and the general economy and environment of New Hampshire.

This bill should pass and set New Hampshire on the road to greater energy independence.

Regards, Joseph Kwasnik 54 Pleasant Street, Unit 8 Concord, NH 03301 603-730-7148

From:	David Henderson <dhchilies@comcast.net></dhchilies@comcast.net>
Sent:	Sunday, March 07, 2021 1:46 PM
То:	Griffin Roberge
Subject:	HB-151

I am an environmental chemist and have been teaching the importance of action to avert climate change for over 20 years. One critical change is to take all fossil fuel out of the electricity grid and expand it to support the coming wave of electric vehicles.

The electric utilities want to restrict citizens' ability to buy solar panels and energy storage systems. They have consistently opposed much needed changes.

It is clear that solar and wind energy along with storage batteries are the wave of the future. NH should embrace this change.

Sincerely,

David Henderson

**Emeritus Professor of Chemistry** 

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Hanover NH

From:	cynthia walter <outlook_004f19ed9ba01fab@outlook.com> on behalf of cynthia walter <walter.atherton@gmail.com></walter.atherton@gmail.com></outlook_004f19ed9ba01fab@outlook.com>
Sent:	Sunday, March 07, 2021 4:47 PM
То:	Bob Giuda
Subject:	[CAUTION: SUSPECT SENDER] SB 151 Testimony Walter

March 7, 2021 To all members of the Senate Energy and Natural Resources Committee,

For decades my college students and I have studied ecology issues such as offshore wind energy and related issues such as fishing impacts.

#### I strongly support SB 151-FN on renewable energy procurement.

This bill provides many of the necessary components for our state to benefit from wind energy delivered steadily along our coast. We need all the features in this bill.

I present my reasons for support of this bill and begin with a comment on fishing & wildlife. These concerns are noted a few times, e.g., during proposal reviews. It is wise to highlight such issues, however, because these resources need to remain vibrant as offshore wind joins the multiple resource management of our coasts.

General Comment on 362-F18 | & VI - PUC & REPC review regarding commercial fishing & other resources Wind turbines are compatible with fishing when all parties collaborate in planning. Impacts on wildlife are also best handled early in planning a proposal, i.e. <u>before</u> reviews. Example:

Lobster harvests were not harmed when 35 large, 6MW turbines were installed where 10% of the global lobster catch supports the economy along the English coast. Dr. Roach stated, "Over the last <u>six years</u> we have observed consistent catch rates of lobsters within the perimeter of the wind farm and have seen an increased population of smaller lobsters in the site." Described by Dr. Johnson at University of Hull, "The survey has been scientifically robust in design and in its execution and was an exemplar of collaborative science between the offshore wind and fishing industry."

On this study: see The Holderness Fishing Industry Group.

On collaboration of fishing and wind energy: see Haggett et al. 2020. Offshore wind energy and fisheries. Oceanography

#### Regarding SB 151

1. Integrate offshore wind into Renewable Portfolio Standards.

We need to add offshore wind to RPS to support a diverse, new, energy economy.

2. Renewable Energy Procurement Committee

We need to move quickly to build our supply chains, job training, ports, etc. and facilitating work of REPC will do this. Other states along the East Coast are already ahead of us in support services for installations that are much further along than ours.

#### 3. Improve energy network

We need to update our energy network and this bill ensures that this wind energy becomes part of more reliable energy throughout ISO New England. For example, matching energy supply and energy storage is needed for security as well as cost-effectiveness.

4. Keep energy dollars in NH.

We need more energy dollars to stay in NH instead of the current flow of dollars out of state to fossil fuel companies. With this bill, more Granite State dollars go to energy made locally and local businesses that build, install and maintain our turbines.

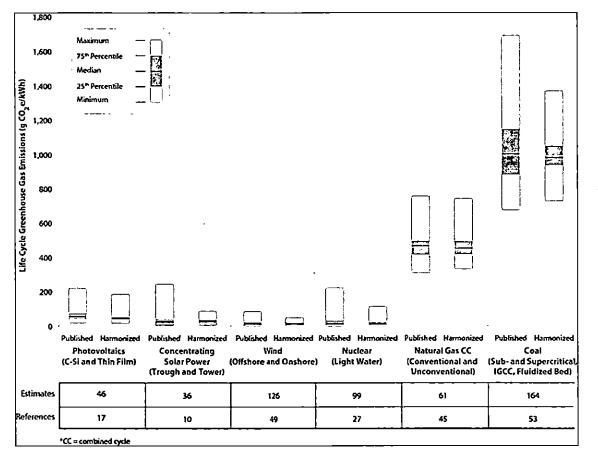
#### 5. Reduce transmission waste & hazards

We need to reduce waste in long transmission associated with fossil fuels, for example, the long, dangerous\*, expensive gas pipelines, and long electric lines where 90% of energy is lost to the air. (\*Serious pipeline accidents have not decreased in 20 years & fatalities remain 7-23 each year

<u>https://portal.phmsa.dot.gov</u>)

## 6. Reduce pre-mature deaths from pollution

We need to reduce the pollution from fossil fuels. Pollution from all stages in wind energy is a fraction of the pollution from all stages of fossil fuel energy production. The government graph below shows the low CO2 from wind (<u>https://www.nrel.gov/)</u>. Note that toxin release parallels CO2 release. This means pre-mature deaths from air pollution alone will decrease as we substitute clean renewables for fossil fuels.(Also see Jacobson et al. 2013. Energy Policy 57: 585-601)



In sum, SB151-FN benefits New Hampshire ratepayers and our economy while it adds safer, less polluting electricity.

Thank you for your attention.

Cynthia Walter, Ph.D. 22 West Concord St. Dover, NH 03820

cawalter@gmail.com and also walter.atherton@gmail.com

From: Sent: To: Subject: Susan Smith <susan.h.smith2@gmail.com> Monday, March 08, 2021 8:24 AM Griffin Roberge SB151 support

Hello Griffin-

I am emailing to support SB 151.

The future of renewable energy in New England will largely depend on the success of offshore wind power off our shore in the Gulf of Maine. This will of course be beneficial from an environmental viewpoint, but it will also be very beneficial for our economy, potentially bringing hundreds of millions of dollars of work to New Hampshire. It is important for us to act now; New Hampshire is the only New England state that has not yet made a commitment to purchase a share of the power generated by offshore wind.

,

Thank you

Susan Smith Dover, NH

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From: Sent: To: Subject: Bruce Berk <bruce.berk.nh@gmail.com> Monday, March 08, 2021 10:51 AM Griffin Roberge support SB 151

Good morning,

This bill is a positive step forward.

Please note that NE will need 35-50 gigawatts of offshore wind energy. Senator's Watter's recommendation of 600 megawatts is an important step forward.

Important fact - Each gigawatt of construction is estimated to produce 2-3 billion dollars of construction income.

Thank you,

Bruce Berk Pittsfield

From: Sent: To: Subject: Attachments:

David Creer <dcreer@biaofnh.com> Monday, March 08, 2021 10:52 AM Griffin Roberge SB151 Written Testimony SB151 Testimony.pdf

Good morning Griffin,

Attached is the written testimony for SB151, scheduled for 1pm this afternoon.

Thanks, Dave

> David J. Creer **Director of Public Policy**



603-224-5388 x112 | (m) 603-931-2444 dcreer@BIAofNH.com

122 North Main Street, Concord, NH 03301

BIAofNH.com

Check out BIA's COVID-19 Information & Resources for Employers packed with targeted information and resources for employers and employees.



## Testimony of David Creer Business & Industry Association SB 151 Senate Energy and Natural Resources Committee March 8, 2021

Dear Members of the Senate Energy and Natural Resources Committee, my name is David Creer and I'm director of public policy for the Business and Industry Association (BIA), New Hampshire's statewide chamber of commerce and leading business advocate. BIA represents more than 400 members in a variety of industries. Member firms employ 89,000 people throughout the state, which represents one in seven private workforce jobs, and contribute \$4.5 billion annually to the state's economy.

BIA is neutral on SB 151, relative to renewable energy procurement. However, we do want to express our concern with the language "provided that reasonable proposals have been received." Reasonableness can be a subjective standard that is dependent on the person making the decision. A reasonable proposal could mean an RFP that would result in *no* increase in electricity costs to ratepayers or it could mean an RFP with the *least* increase in costs to ratepayers compared to other proposals. BIA thinks it could be beneficial to include a more concrete definition for what would be considered "reasonable."

Thank you for your consideration.

PROMOTING A HEALTHY CLIMATE FOR JOB CREATION AND A STRONG NEW HAMPSHIRE ECONOMY

From:	Andrew P. Provencher <andrew@olivewoodenergy.com></andrew@olivewoodenergy.com>
Sent:	Monday, March 08, 2021 11:04 AM
То:	Kevin Avard; Griffin Roberge
<b>Cc:</b> –	Bob Giuda; Rebecca Perkins Kwoka; David Watters; James Gray
Subject:	Testimony: Olivewood Energy- SB 151
Attachments:	NH Senate ENRC - SB 151 - 2021 0308 SUBMITTED pdf
-	

Chairman Avard and Mr. Roberge,

Please find Olivewood Energy's testimony in support of SB 151.

Mike Caplan, Olivewood's President, has also signed up to speak.

Please let me know if you have any questions.

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Thank you,

Andrew P. Provencher Public Engagement Director

Cell: 603-377-6994 Email: <u>andrew@olivewoodenergy.com</u>



Olivewood Energy LLC 470 James Street, Suite 7 New Haven, CT 06513

March 8, 2021

Senator Kevin Avard Chairman of the New Hampshire Senate Energy and Natural Resources Committee *Via* electronic mail

#### **Re: Testimony on Senate Bill 151**

Dear Senator Avard and honorable members of the committee:

Olivewood Energy LLC (Olivewood) appreciates the opportunity to provide testimony on Senate Bill 151 (SB 151), an act relative to renewable energy procurement. Olivewood is a developer of solar and energy storage projects and is working with communities throughout New Hampshire. We applaud efforts to create more options for New Hampshire to develop and maintain costeffective, responsible resources, and the broader initiative to utilize responsibly-developed offshore wind resources.

It is possible in New Hampshire to develop renewable energy projects in a manner consistent with other objectives such as maintaining the character of communities and the environment. Since 2018, Olivewood has worked with New Hampshire communities to do this. The most common question from host communities is whether the energy will stay in New Hampshire and benefit local ratepayers. Historically, there have been fewer tools for doing that here than in some neighboring states. With changes, SB 151 has the potential to provide a way for in-state resources to compete to supply the communities that host them and other New Hampshire communities. As a solar developer, Olivewood is seeking an opportunity for its product to compete and its product's value to be compared to alternatives. In September of 2020, Olivewood was awarded two contracts in Maine with an initial energy price that is roughly half the current residential supply rates in New Hampshire. At the end of the 20-year term of those agreements, even with annual escalation, the energy price would still be below current supply rates.<sup>1</sup>

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<sup>&</sup>lt;sup>1</sup> The price agreed to in Maine was for energy only and excluded renewable energy credit value. Adjusting the New Hampshire residential supply rates for renewable energy credit value at market prices would provide substantially the same answer as above.

The below proposed changes to SB 151 would prioritize cost-effective, resilient, market-based, energy policies that protect ratepayers, and provide direct economic benefits to New Hampshire while supporting responsible project design. The principal recommendations are:

- 1) Protect ratepayers from transmission costs and market volatility by requiring the delivery of energy to New Hampshire. New Hampshire has significant offshore wind resources and is pursuing a responsible process of stakeholder engagement to determine how to use that resource. The nascent state of that process means that a contract for offshore wind selected in an SB 151-based RFP would likely be a project landing in southern New England which creates significant risk for New Hampshire.
- 2) Increase competition through clear scoring criteria that prioritize cost-effectiveness the value of the products proposed by any technology and in-state economic benefits while removing criteria that appear to have the same intent but may be less direct.
- 3) Layering positions through multiple RFPs avoids timing the market (e.g., a person would not put their whole 401k in one stock on one day).

# **Specific Recommendations:**

# 1) Protect ratepayers from all forms of transmission costs.

- a. Specify that any RFP should require that physical delivery or contract settlement is at a point on the transmission or distribution system in New Hampshire.
- b. Specify that ratepayers will not be required to purchase energy when it has negative market value.
- c. Specify that analysis of proposals should consider the increased risk of cost socialization of transmission enhancements in southern New England.

The addition of offshore wind (OSW) interconnecting in New Hampshire has the potential to increase grid resilience and support economic development in New Hampshire.; however, development is currently concentrated in southern New England. There are currently approximately 9,700 MW of OSW projects in the ISO New England interconnection queue and all of those projects plan to connect in southern New England – there are 0 MW in the interconnection queue in New Hampshire.

The timeline for OSW procurement in SB 151 makes it appear likely that any awarded OSW project would be in southern New England. There are many encouraging improvements in OSW technology and progress in commercializing floating turbines; however, OSW development in the Gulf of Maine is still nascent. As there are no OSW project leases in federal waters in the Gulf of Maine – a process that can take years - and no OSW projects in the ISO New England interconnection queue with a landing point in New Hampshire it appears likely that an OSW project awarded a contract in an SB 151 RFP would be expected to be in southern New England.

Delivery or settlement at a location other than in New Hampshire creates risks by exposeing ratepayers to potentially significant direct and indirect costs that should not be the responsibility of New Hampshire ratepayers. Specifically, it would expose ratepayers to the difference between

the value of energy at the delivery point and the cost of energy in New Hampshire. This risk can be significant and costly.

# Requiring the delivery point or contract settlement be in New Hampshire would enable out-ofstate projects to compete in any SB 151 RFP while protecting New Hampshire ratepayers.

# 2) Increase the use of market-based competition in proposal evaluation.

- a. Define "cost-effective" as the value to New Hampshire; not the quoted price in the contract.
- b. Require a third-party prepared, hourly production profile from each proposer to enable comparison with hourly price projections.
- c. Project the value of each proposal from any technology based on the value of the products produced and the direct in-state economic activity generated by its development, construction, and operation. These values and benefits can and should be quantified for comparison across proposals from all Class I including OSW, II, III, IV, and V resources.
- d. Specify a weighting of the value of products and the benefits to New Hampshire for ranking proposals (e.g., 70% price and 30% benefits or 90% price and 10% benefits).
- e. Specify that contracts awarded from the RFP may include capacity in addition to energy or renewable energy.

It appears that the intent of SB 151 is to support a reliable and resilient energy system with costeffective resources; however, changes would enhance its ability to achieve these objectives. The requirement that Class I resources, and only Class I resources, must be paired with hydroelectric generation will likely reduce the potential of both resources to contribute to an "all-the-above" strategy. Assessing each resource based on the value of its products, including the timing of its generation, and of New Hampshire's demand would lead to a more cost-effective portfolio.

Hydroelectric generation has potential to continue contributing to New Hampshire's energy portfolio. That potential could be more efficiently realized through an independent proposal rather than a joint proposal with a Class I resource.

Quantifying the generation of direct, in-state economic activity and using transparent scoring criteria would support benefits to host communities and efficient decisions regarding the retention of existing resources and the development of new resources. There is a need for additional capacity and there are competitively priced, new projects but existing projects are also important members of their host communities. There is precedent for evaluating in-state economic activityin scoring projects. For instance, in 2020, Maine used a 30% weighting for instate benefits with a cap on the capacity from existing resource. New York has a 10% weighting for in-state benefits with only new resources eligible for long-term contracts (existing resources can seek three-year agreements). In-state benefit obligations can ensure that ratepayers benefit from both lower energy prices, increased economic activity, and help realize greater and stable tax revenue provided to host communities.

Including the capacity product – something distribution companies are required to purchase whether they purchase renewable energy or not – as an eligible product for long-term contracts would likely reduce the energy prices proposed in RFPs. Increasing the number of contracted revenue streams reduces the cost of capital for renewable energy projects. Since there are many companies competing to provide these projects, increasing the type of contracted revenues brings down market prices.

# 3) Manage risk through a portfolio of contracts entered over time.

- a. Specify that there shall be multiple RFPs but with no obligation for the selection of proposals if none are deemed cost-effective.
- b. Commence RFPs earlier (e.g., a first RFP released by 12/31/2021).
- c. Remove the implied requirement that RFPs for resources other than OSW would only occur in conjunction with an RFP for OSW.
- d. Increase the quantity of onshore resources the Renewable Energy Procurement Committee has the option to make awards to.

Taking an "all-the-above" approach to renewable technologies by having projects compete based on value would create more opportunities for competition and risk management. The current language in SB 151 does not appear to support taking advantage of cost-effective resources that are likely available in the market in advance of OSW opportunities. There continue to be advances in technology for onshore and offshore renewables. These advances have led to decreases in costs; however, there are many other variables that can affect costs. Olivewood appreciates the efforts of SB 151's sponsors and of the Energy and Natural Resources Committee. Olivewood supports New Hampshire's goals of a reliable energy system that provides costeffective and environmentally sound energy to the people of New Hampshire. Olivewood thanks the Committee for this opportunity to provide comments on SB 151 and look forward to supporting the process in any way that is helpful.

Sincerely,

Mike Caplan

From: Sent: To: Cc: Subject: Attachments: Carol Foss <cfoss@nhaudubon.org> Monday, March 08, 2021 11:31 AM Griffin Roberge Amber Hewett Testimony supporting SB 151 NH SB 151 testimony.docx.pdf

Hi Griffin,

Attached please find testimony from NH Audubon and the National Wildlife Federation in support of SB151. Amber Hewett of NWF will be presenting oral testimony. Many thanks! Carol

Carol R. Foss, Ph.D. Senior Advisor for Science and Policy

New Hampshire Audubon 84 Silk Farm Road Concord, NH 03301

603-224-9909 x331





The Honorable Kevin Avard, Chair Senate Energy and Natural Resources Committee Senate Chamber, State House, Concord, NH 03301 March 8, 2021

#### RE: Support for SB 151 relative to renewable energy procurement

Dear Chairman Avard and Members of the Committee:

On behalf of New Hampshire Audubon, the National Wildlife Federation, and our thousands of members across the Granite State, thank you for the opportunity to provide testimony on SB 151. Our organizations strongly support the responsible development of offshore wind power, and applaud this bill as a step forward. We are eager to see New Hampshire seize the environmental and economic benefits offshore wind power has to offer.

We recognize that the timing of procurements laid out in SB 151 ensures that any offshore wind development resulting from this legislation will occur in currently designated wind energy areas – almost certainly those off the southern New England coast. While this bill will not result in turbine construction off New Hampshire's coast, the design of New Hampshire's procurement process can significantly influence the details of any resulting projects, regardless of where they are constructed. We appreciate the included requirements for an environment and fisheries mitigation plan, and for a plan to negotiate a project labor agreement. It is critical that development at the scale offshore wind power has to offer is undertaken only with stringent wildlife protection measures in place, both offshore and onshore, and in a manner that delivers provides economic opportunities to local communities and the workforce.

We support this bill and call on you to take the following into consideration:

- Our organizations support the advancement of large-scale offshore wind power as swiftly as
  responsible development allows, and we appreciate that the 600 megawatt (MW) minimum
  included in this bill acknowledges the resource's significant potential. However, given the rapid
  growth of the scale and capacity of offshore wind turbines and projects in recent years, we urge
  you to set the bar higher. We recommend raising the minimum total offshore wind procurement
  to 800 MW and removing the maximum, enabling the renewable energy procurement committee
  (REPC) to determine which submitted proposal, or combination of proposals, is in the best
  interest of New Hampshire ratepayers.
- We urge you to remove the 2.75% remuneration for the contracting distribution company, as the obligation of entering into a long-term contract is hardly a financial burden, and certainly not one that should be passed on to the ratepayer.
- We recommend adding the following to the list of Evaluation Criteria:

- Demonstrated consideration for maximizing job creation and economic development opportunities (e.g., supply chain and manufacturing) in New Hampshire[CF1] to the extent possible
- Demonstrated prioritization of materials from the domestic supply chain in bid proposals Inclusion of practices to mitigate harm and create economic opportunities in Environmental Justice populations;
- Demonstrated intent to create opportunities for minority and disadvantaged workers, businesses, and investors; and
- Inclusion of practices to avoid, minimize, and mitigate potential impacts of the project to cultural resources.
- We recommend the following additions to the REPC:
  - o One representative of New Hampshire's indigenous population; and
  - One representative from an Environmental Justice organization or community.
- We applaud the requirement of an environment and fisheries mitigation plan and urge you to consider the following amendments:
  - Replace "impacts to wildlife, natural resources, ecosystems, and traditional or existing water-dependent uses, including, but not limited to, commercial and recreational fishing, and transit lanes" with:
    - "impacts to: wildlife, including but not limited to threatened or endangered species such as North Atlantic right whales, Roseate Terns, and Piping Plovers; coastal and marine habitats, natural resources, and ecosystems; and traditional or existing water-dependent uses, including, but not limited to, commercial and recreational fishing."
  - o Require pre- and post-construction monitoring of marine and avian species;
  - Within the plan, require bidders to include details on how they will ensure the project avoids, minimizes, and mitigates potential impacts of the project to cultural resources, including through thoughtful siting and engagement with local stakeholders; and
  - Require inclusion of an Environmental Justice Plan including the following:
    - Description of potential impacts, both positive and negative, on Environmental Justice Populations, that includes an expanded view of cumulative impacts that considers compounding adversities creating barriers for Environmental Justice Populations in realizing the benefits of the offshore wind industry;
    - Description of how the bidder will mitigate harm and create economic opportunities in Environmental Justice populations;
    - Description of how the bidder will include Environmental Justice stakeholders in decision-making; and
    - Any planned in-state spending that will support Environmental Justice populations by providing jobs, grants, training programs, or environmental benefit projects to address historical and cumulative impacts in economically disadvantaged communities.

We thank you for your time and consideration, and look forward to working with you to ensure that New Hampshire harnesses the potential of offshore wind power and all that it has to offer the Granite State.

Sincerely,

Carol Foss Senior Advisor for Science & Policy New Hampshire Audubon Amber Hewett Senior Campaign Manager, Offshore Wind Energy National Wildlife Federation

## Griffin Roberge

From:	Madeleine Mineau <madeleine@cleanenergynh.org></madeleine@cleanenergynh.org>
Sent:	Monday, March 08, 2021 12:01 PM
To:	Kevin Avard; Bob Giuda; James Gray; Rebecca Perkins Kwoka; David Watters; Griffin
Subject: Attachments:	Roberge SB151 testimony by Clean Energy NH CENH SB151 testimony 20210308.pdf

Dear Chairman Avard and Honorable members of the committee,

Please find attached the written testimony of Clean Energy NH on SB 151 relative to a clean energy procurement. I look forward to testifying at the hearing this afternoon.

Thank you for considering our input on this bill. Madeleine

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

March 8<sup>th</sup> 2021

Senator Kevin Avard Chairman of the NH Senate Energy and Natural Resources Committee Via electronic mail

#### Testimony on SB 151 relative to renewable energy procurement

Dear Chairman Avard and honorable members of the committee,

Clean Energy NH (CENH) is a non-profit membership-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 supports the concept of renewable energy procurement as this is an important option to encourage the development of new renewable generation and support existing renewable generation while prioritizing specific review or selection criteria that our important to our state. In addition, recent renewable energy procurements in other New England states have resulted in very competitively priced bids.

However, there issues that we would like to see addressed with SB151 as introduced and we will detail those here:

• In the definition of "clean energy generation" there is a reference to "new class 1 renewable portfolio standard resources" which are defined as offshore wind specifically and "new Class I RPS eligible resources that are firmed up with firm service hydroelectric generation". We recommend that new and existing class 1 eligible resources be included in the procurement and that class 1 resources not be required to be "firmed up" by hydropower. Class 1 renewables include baseload dispatchable resources and some hydropower resources therefore the additional hydro requirement is not necessary in our view. We would encourage you to consider separate and additional procurement for existing and new renewable electricity sources, such as 200MW existing renewable and 200MW new renewable in addition to the off-shore wind specific capacity allocation).



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

- Though the offshore wind procurement requires "no less than 600 megawatts" the total procurement is "up to 800 megawatts" which we interpret that the additional 200MW of other renewable procurement is possible but optional. If the procurement goes forward we would like to see more certainty around the additional procurement amount for other renewable technologies.
- It is unclear to us why the 2.75% annual payment to the utilities would be necessary as this is not typically added in similar RFP processes in other states and it is not clear what the additional cost to ratepayers is needed.
- Some requirements for "guaranteed energy delivery in winter months" and "hydroelectric generation provided without interruption" are concerning to us. For any technology, fossil, nuclear, or clean, some generation interruptions are beyond the control of the generator such as extreme weather events and equipment or interconnection failure. Reasonable allowance for such circumstances should be considered. Performance of the generator can be considered as a review criterion of proposals received.
- There should be clear separate solicitation and selection requirements for new and existing resources. For example, existing resources should be allowed to use their existing staff and labor practices.
- The direct economic benefits to New Hampshire should be a criterion in evaluating projects. In addition, projects that are interconnected within the NH grid should be favored in order to avoid significant new transmission expense and transmission line siting challenges.
- In section III, while a determination of "cost effective" can be objective using a costbenefit analysis, a "low cost" seems subjective and potentially conflicting with "cost effective".
- As written it is unclear to us at what step in the process the Governor's final approval is required or if it is required at multiple steps in the process. We think that the authority and sequence of the solicitation and approval process could be clarified.



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Thank you for consideration of our input on this bill and we look forward to testifying during the hearing. I am happy to answer any questions then or you can contact me anytime to discuss our position on this bill in more detail.

Huder lever

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

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# **Griffin Roberge**

From:	Nick Krakoff <nkrakoff@clf.org></nkrakoff@clf.org>
Sent:	Tuesday, March 09, 2021 6:33 PM
To:	Griffin Roberge
Subject:	SB 151, relative to renewable energy procurement, CLF Comments
Attachments:	Conservation Law Foundation Comments Re SB 151 3-8-21 (4831-7045-0399.1).pdf

To Whom It May Concern,

Attached, please find the Conservation Law Foundation's written testimony/comments on SB 151.

Best regards,

Nick Krakoff Staff Attorney Conservation Law Foundation 27 North Main Street Concord, NH 03301-4930 P: 603-369-4787 E: nkrakoff@clf.org

For a thriving New England



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#### For a thriving New England

**CLF** New Hampshire

27 North Main Street Concord, NH 03301 P: 603.225.3060 F: 603.225.3059 www.clf.org

conservation law foundation

March 9, 2021

#### **By Electronic Mail**

The Hon. Kevin Avard, Chair Energy and Natural Resources Committee N.H. Senate Concord, NH 03301

#### Re: SB 151, relative to renewable energy procurement.

Dear Chairman Avard and Honorable Committee Members,

Conservation Law Foundation (CLF) appreciates the opportunity to comment on SB 151, which would establish a program for procurement of renewable energy. CLF is a non-profit environmental advocacy organization working in New Hampshire and across the region for healthy communities and a healthy environment, including advancing sound clean energy policies that reduce pollution and strengthen the state's economic vitality.

#### I. An Offshore Wind Procurement Would Substantially Benefit New Hampshire

CLF strongly supports the offshore wind components included in SB 151 and, especially, its inclusion of an ambitious offshore wind procurement of 600 megawatts (MW). Offshore wind procurements are needed to reduce pollution from fossil fuel generated power, which contributes to and exacerbates asthma and other respiratory problems, as well as heart disease. Further, increased renewable energy production, and particularly offshore wind, is necessary to address the impacts from climate change that New Hampshire is already experiencing, including increased coastal flooding, severe heat waves, and mild winters. By mandating procurements of offshore wind, this bill would encourage New Hampshire to reduce its reliance on fossil fuel generated electricity, which is a leading cause of climate change.

Additionally, the offshore wind components of the bill would be good for New Hampshire's economy and workers. The American Wind Energy Association (AWEA) estimates that that between 20,000 to 30,000 MW of offshore wind capacity will be operational on the east coast of the United States by 2030, representing between \$28 billion and \$57 billion of investment in the U.S. economy.<sup>1</sup> According to AWEA, under a high buildout and high domestic manufacturing scenario, offshore wind could support up to 83,000 jobs annually in the United States by 2030.<sup>2</sup> If New Hampshire's electric distribution companies were to procure offshore wind generation from a project in the Gulf of Maine, then it would likely create thousands of good-paying construction, maintenance, and port-related jobs in

² Id.

<sup>. &</sup>lt;sup>1</sup> U.S. Offshore Wind Power Economic Impact Assessment, AWEA, at (March 2020) at 1, available at https://supportoffshorewind.org/wp-content/uploads/sites/6/2020/03/AWEA\_Offshore-Wind-Economic-ImpactsV3.pdf.



New Hampshire and result in significant investment in the port of Portsmouth. In sum, due to the economic and pollution-reduction benefits of the bill's 600 MW offshore wind procurement, CLF is a strong proponent of this part of the bill.<sup>3</sup>

#### II. The Bill Should be Amended to Preclude Biomass Procurements

While CLF strongly supports the offshore wind provisions in SB 151, CLF's position on the bill is neutral due to its inclusion of possible biomass procurements. Because of the non-renewable attributes of biomass,<sup>4</sup> CLF opposes its inclusion in a renewable procurement bill. In particular, biomass-generated energy results in net CO2 and particulate matter emissions, and the harvesting of biomass can lead to unsustainable forest management practices. It can take decades or even a century for replacement forests to remove the CO2 emitted from biomass plants.<sup>5</sup> Additionally, the provisions in the bill that allow biomass could result in procurements from other states, including the proposed Palmer biomass plant in Springfield, MA. This plant would be located in and around marginalized communities in Springfield, which already suffer from poor air quality, and would be a new source of dangerous pollutants. The possibility that the bill could result in procurements from plants like the Palmer plant raises serious environmental justice concerns.

In conclusion, while CLF supports the offshore wind procurement in the bill, it opposes the inclusion of biomass procurements in the bill and urges amendment of SB 151 to remove its biomass provisions.

Sincerely,

<u>/s/ Nick Krakoff</u> Nick Krakoff Staff Attorney Conservation Law Foundation 27 North Main Street Concord, NH 03301

<sup>3</sup> Although CLF supports the offshore wind procurement, it believes that several of the environmental protections in the bill related to offshore wind could be strengthened. In particular, in the proposed section 362-F:18(I)(i), the language should be modified to state as follows: "whether the proposal uses practices to avoid, minimize, and minimize impacts to wildlife, including but not limited to threatened or endangered species such as North Atlantic right whales; coastal and marine habitats and ecosystems; benthic resources and essential fish habitat; and traditional or existing water dependent uses, including but not limited to commercial and recreational fishing." This section should also require pre-, during, and post-construction monitoring of environmental impacts. Further, similar language should be inserted in proposed section 362-F:20 (VI), and the references to the Bureau of Ocean Energy Management in that section should be omitted to simply require bidders to demonstrate that they have prepared environmental mitigation plans, which are based on best management practices and informed by the latest science, that will avoid, minimize, and mitigate environmental impacts.

<sup>4</sup> See Chelsea Harvey and Niina Farah, Congress calls biomass 'carbon neutral.' Scientists disagree, E&E NEWS (March 23, 2018), https://www.eenews.net/stories/1060077233.

<sup>5</sup> Id.

# **Griffin Roberge**

From:	Gamache, Donna M <donna.gamache@eversource.com></donna.gamache@eversource.com>
Sent:	Wednesday, March 10, 2021 1:34 PM
То:	Kevin Avard; Bob Giuda; James Gray; Rebecca Perkins Kwoka; David Watters; Griffin
	Roberge
Subject:	SB 151 relative to renewable energy procurement

Good afternoon Chair Avard and Committee members:

I am writing to you this afternoon regarding the concerns that were raised during the public hearing on SB 151 earlier this week. In particular, the concern about providing a 2.75% remuneration to utilities should the legislation be approved.

As mentioned during our testimony on this bill, we believe the requirement for clean energy procurements is a public policy consideration that is a decision that you must make depending on many factors that you must weigh. Eversource is neutral on the overall public policy of procurements.

However, we feel it is critical that you understand the purpose of a remuneration for utilities in advance of your decision to either reduce or remove this opportunity.

As you heard during the public hearing on SB 151, New Hampshire's neighboring states have required procurements to meet their individual state's clean energy goals at the lowest possible cost. In Massachusetts, for example, they have found that the savings to customers of paying 2.75% to the utility under a Power Purchase Agreement is 13.77% in lower costs to customers versus paying a merchant under their higher cost of financing. Eversource is on record in that state's regulatory forum sharing analysis that provides using the utility balance sheet, with its lower cost of financing not only allows these projects to be built, but does so in a lower cost way for customers.

As part of a Massachusetts proceeding, we shared specifics that the higher cost of capital under the merchant scenario increases the contract rate required to produce a zero Net Present Value at the installed cost of \$2,193 per kw from <u>\$77.76/MW under the contracts to \$90.60/MWh</u>, an increase of <u>16.52</u>%. The proposed remuneration rate is only 2.75%, 13.77 percentage points below the increase under the merchant case of 16.52%. This is a major issue for our customers who will be paying higher electric costs as a result.

These numbers make it clear that 2.75% is lower than the otherwise require average of 16.52% if not taking advantage of the utilities lower cost of financing. Without this opportunity in our neighboring states, it is likely that the nearly \$50billion of investment in clean energy opportunities – mainly through large hydro and offshore wind, would not take place.

We at Eversource wish you best wishes as you tackle these and other complex energy issues during the 2021 legislative session.

Thank you for your consideration of our concerns on behalf of our customers. Donna Gamache

#### Donna Gamache, Director, Governmental Affairs EVERSEURCE 780 No. Commercial St | Manchester, NH 03101 | 🕿 : 60.

780 No. Commercial St [ Manchester, NH 03101 ] 🕿 : 603-345-0994 🖂 : donna.gamache@eversource.com

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# **Griffin Roberge**

From:	Susan Muller <susanmuller7@gmail.com></susanmuller7@gmail.com>
Sent:	Wednesday, March 17, 2021 6:32 PM
То:	Kevin Avard; Bob Giuda; James Gray; Rebecca Perkins Kwoka; David Watters; Griffin
	Roberge
Cc:	William Gannon
Subject:	Support for SB 151

Members of the Energy and Natural Resources Committee:

I was unable to attend the Committee hearing on SB 151 last week, but I wanted to express my support for this important bill, for the reasons explained below.

I have already reached out directly to my Senator, Bill Gannon, who is copied here.

Thank you for your time.

Susan Muller East Kingston

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# SB 151 Could help NH electric ratepayers lock in low rates

I share Senator Gannon's concern about the affordability of electric power in New Hampshire, and I think affordability is one of the best reasons to vote for SB 151. Looking at it purely from a cost perspective, it gives utilities a chance to enter long-term supply contracts at low prices. (Prices in recent Massachusetts procurements have fallen below 8 cents per kWh). Similar to refinancing a mortgage when rates are low, procurement of offshore wind now would allow New Hampshire ratepayers to lock in affordable prices for two to three decades, guaranteeing stability and protection from higher electric bills over the entire period.

# Adding offshore wind to the grid lowers electric bills in two additional ways

Offshore wind has the added benefit of being a winter-peaking resource, meaning that (unlike gas) the supply tends to increase when we need it most, on cold winter nights. Adding this winter-peaking power to the grid reduces the magnitude and frequency of winter price spikes in the wholesale energy markets, resulting in substantial cost savings that would flow through to New Hampshire retail customers. More offshore wind on the system also reduces the need for ISO-NE to make expensive fuel security arrangements, and those savings would similarly pass through to New Hampshire customers.

# SB 151 allows NH to compete with other states for affordability benefits

We are lucky in New Hampshire to have such a high-quality energy resource close at hand, but the resource is not exclusively ours; states to the south of us have been moving rapidly to contract with projects in the existing lease areas for the benefit of their own ratepayers. In the last two years alone, New York state has secured the output of both the Sunrise Wind and Beacon Wind 1 projects, meaning that over 2000 MW of affordably priced, winter-peaking power will now flow <u>out</u> of the southern New England lease areas into the New York grid, to the exclusive benefit of New York electric customers. Meanwhile, Massachusetts, Connecticut and Rhode Island are well on their way to securing 6000 MW of power for their ratepayers. SB 151 would give New Hampshire a chance to compete on equal footing for this excellent opportunity, and to bring all of the affordability benefits of offshore wind to electric ratepayers in the Granite State.

Thank you for taking the time to consider these points.

Susan Muller East Kingston

# Voting Sheets

2

# Senate Energy & Natural Resources Committee EXECUTIVE SESSION RECORD

2021-2022 Session

Bill # SB ISI-FN Hearing Date: 03/08/2021 Executive Session Date: 03/10/2021 Motion of: Amendment 0777s w/ changes Vote: 5-0 Committee Member Present Made by Second Yes No Sen. Avard, Chair **|** Sen. Giuda, Vice Chair < Sen. Gray く Sen. Watters Sen. Perkins Kwoka Vote: 5-0 OT PA Motion of: Present Made by Second Yes Committee Member No Sen. Avard, Chair V Sen. Giuda, Vice Chair V Sen. Perkins Kwoka Vote: Motion of: **Committee Member** Present Made by Second Yes No Sen. Avard, Chair Sen. Giuda, Vice Chair Sen. Gray Sen. Watters Sen. Perkins Kwoka Vote: Motion of: **Committee Member** Present Made by Second Yes No Sen. Avard, Chair Sen. Giuda, Vice Chair Sen. Gray Sen. Watters Sen. Perkins Kwoka Reported out by: Watters Notes:

# Senate Finance Committee EXECUTIVE SESSION

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Giuda 🗌	Giuda 🗌	Giuda 🗌
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Rosenwald	· Rosenwald 🗌	Rosenwald
D'Allesandro 🗔	D'Allesandro	D'Allesandro
Morse 🗌	Morse 🗌	Morse 🛄
Hennessey	Hennessey	Hennessey
Committee Member	<u>Present</u> Yes /	No <u>Reported out by</u>
Senator Daniels , Chairman	Ľ, Ľ	
Senator Reagan, Vice-Chair		$\sum_{i=1}^{n} \frac{1}{(1+i)^{n}} \left( \sum_{i=1}^{n} \frac{1}{(1+i)^{n}} \sum_{i=1}^{n} \frac{1}{(1+i)^{n$
Senator Giuda	E E	
Senator Hennessey	<u>к</u>	
Senator Rosenwald		
Senator Morse Senator D'Allesandro	e e	
Amendments:		
Notes:	· · · · · · · · · · · · · · · · · · ·	

# Senate Finance Committee EXECUTIVE SESSION

	,	Bill # SB 151-FN
Hearing date:/	4	
Executive session date:	10/26/21	
Motion of: Isterin	_ Shily	vote: <u>6-0</u>
<u>Made by</u> Daniels	<u>Seconded</u> Daniels	<u>Reported</u> Daniels
<u>Senator:</u> Reagan	by Senator: Reagan	∕ <u>by Senato</u> r: Reagan ⊔
Giuda	Giuda 🗾 🗹	Giuda
Rosenwald	, Rosenwald	Rosenwald
D'Allesandro 🗌	D'Allesandro 🗌	D'Allesandro 🗌
Morse 🗌	Morse 🗋	Morse 🗌
Hennessey	Hennessey	Hennessey
Motion of:	<u>.</u>	VOTE:
<u>Made by</u> Daniels 🗌	Seconded Daniels	<u>Reported</u> Daniels 🗌
Senator: Reagan	by Senator: Reagan	by Senator: Reagan
Giuda	Giuda	Giuda 🗌
Rosenwald	Rosenwald	Rosenwald
D'Allesandro 🗌	D'Allesandro	D'Allesandro 🗖
Morse	Morse	Morse
Hennessey	Hennessey	Hennessey
<u>Committee Member</u>	<u>Present</u> <u>Yes</u>	<u>No</u> <u>Reported out by</u>
Senator Daniels , Chairman		
Senator Reagan, Vice-Chair		
Senator Giuda		
Senator Hennessey Senator Rosenwald		
Senator Rosenwald		
Senator D'Allesandro	F d	
Amendments:		

Notes: \_\_\_\_

# Committee Report

# STATE OF NEW HAMPSHIRE

## SENATE

# REPORT OF THE COMMITTEE

Wednesday, March 10, 2021

THE COMMITTEE ON Energy and Natural Resources

to which was referred SB 151-FN

AN ACT

relative to renewable energy procurement.

Having considered the same, the committee recommends that the Bill

OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 5-0

AMENDMENT # 0795s

Senator David Watters For the Committee

Griffin Roberge 271-3042

## ENERGY AND NATURAL RESOURCES

**SB 151-FN**, relative to renewable energy procurement. Ought to Pass with Amendment, Vote 5-0. Senator David Watters for the committee.

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# STATE OF NEW HAMPSHIRE

## SENATE

# REPORT OF THE COMMITTEE

Tuesday, March 30, 2021

### THE COMMITTEE ON Finance

to which was referred SB 151-FN

AN ACT

relative to renewable energy procurement.

Having considered the same, the committee recommends that the Bill

**BE RE-REFERRED TO COMMITTEE** 

BY A VOTE OF: 6-1

Senator Gary Daniels For the Committee

Deb Martone 271-4980

# SENATE CALENDAR NOTICE Finance

Sen Gary Daniels, Chair Sen John Reagan, Vice Chair Sen Bob Giuda, Member Sen Erin Hennessey, Member Sen Chuck Morse, Member Sen Lou D'Allesandro, Member Sen Cindy Rosenwald, Member

Date: October 5, 2021

#### **EXECUTIVE SESSION**

Tuesday	10/26/2021		
(Day)	(Date)		
Finance	State House 103	1:00 p.m.	
(Name of Committee)	(Place)	(Time)	

### 1:00 p.m. EXECUTIVE SESSION ON PENDING LEGISLATION

Deb Martone 271-4980

<u>Gary L. Daniels</u> Chairman

## STATE OF NEW HAMPSHIRE

# SENATE

# REPORT OF THE COMMITTEE

Tuesday, October 26, 2021

# THE COMMITTEE ON Finance

to which was referred SB 151-FN

AN ACT relative to renewable energy procurement.

Having considered the same, the committee recommends that the Bill

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BE REFERRED TO INTERIM STUDY

BY A VOTE OF: 6-0

Senator Bob Giuda For the Committee

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Deb Martone 271-4980

# **Docket of SB151**

**Docket Abbreviations** 

Bill Title: relative to renewable energy procurement.

Official Docket of SB151.:

Date	Body	Description
2/9/2021	S	Introduced 02/04/2021 and Referred to Energy and Natural Resources; SJ 4
3/3/2021	S	Remote <b>Hearing:</b> 03/08/2021, 01:00 pm; Links to join the hearing can be found in the Senate Calendar; <b>SC 14</b>
3/11/2021	S	Committee Report: Ought to Pass with Amendment <b>#2021-0795s</b> , 03/18/2021; <b>SC 15</b>
3/18/2021	S	Committee Amendment <b>#2021-0795s, RC</b> 23Y-1N, AA; 03/18/2021; <b>SJ</b> <b>8</b>
3/18/2021	S	Ought to Pass with Amendment 2021-0795s, RC 23Y-1N, MA; Refer to Finance Rule 4-5; 03/18/2021; SJ 8
3/30/2021	S	Committee Report: Rereferred to Committee, 04/01/2021; SC 17A
4/1/2021	s	Rereferred to Committee, RC 24Y-0N, MA; 04/01/2021; SJ 10
12/16/2021	S	Committee Report: Referred to Interim Study, 01/05/2022; SC 49
1/5/2022	S	Refer to Interim Study, MA, VV; 01/05/2022; SJ 1

NH House

NH Senate

# Other Referrals

-2

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# Senate Inventory Checklist for Archives

Bill Number: 58151- FA 2ND Committee Bill

Senate Committee: FiNANCE

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

#### **Bill Hearing Documents: {Legislative Aides}**

- Bill version as it came to the committee
- **All Calendar Notices**
- Hearing Sign-up sheet(s)
- Prepared testimony, presentations, & other submissions handed in at the public hearing
- Hearing Report
  - Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

#### Committee Action Documents: {Legislative Aides}

All amendments considered in committee (including those not adopted):

\_\_\_\_ - amendment # \_\_\_\_\_\_ - amendment # \_\_\_\_\_\_

**Executive Session Sheet** 

**Committee Report** 

#### Floor Action Documents: {Clerk's Office}

All floor amendments considered by the body during session (only if they are offered to the senate):

\_\_\_\_\_ - amendment # \_\_\_\_\_\_ - amendment # \_\_\_\_\_\_

\_\_\_\_\_ - amendment #\_\_\_\_\_\_ \_\_\_\_\_ - amendment # \_\_\_\_\_\_

#### Post Floor Action: (if applicable) {Clerk's Office}

Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):

Enrolled Bill Amendment(s)

Governor's Veto Message

#### All available versions of the bill: {Clerk's Office}

as amended by the senate

as amended by the house

final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

eb Martone nittee Aide Committee Aide

Senate Clerk's Office

01/18/2022 Date

# Senate Inventory Checklist for Archives

Bill Number: SB 151-FN

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Senate Committee: ENR

Please includ	include all documents in the order listed below and indicate the documents which have been ed with an "X" beside
<u> </u>	Final docket found on Bill Status
<u>Bill H</u>	earing Documents: {Legislative Aides}
<u>×</u>	Bill version as it came to the committee
<u>×</u>	All Calendar Notices
×	Hearing Sign-up sheet(s)
<u>x</u>	Prepared testimony, presentations, & other submissions handed in at the public hearing
<u>×</u>	Hearing Report
X	Revised/Amended Fiscal Notes provided by the Senate Clerk's Office
Comn	nittee Action Documents: {Legislative Aides}
All am	endments considered in committee (including those not adopted):
	<u>×</u> - amendment # <u>07775</u> amendment #
	<u>X</u> - amendment # <u>07955</u> amendment #
<u>    X</u>	Executive Session Sheet
<u>    x</u>	Committee Report
Floor	Action Documents: (Clerk's Office)
	or amendments considered by the body during session (only if they are offered to the senate):
•	amendment # amendment #
	amendment # amendment #
Post J	Ploor Action: (if applicable) {Clerk's Office}
	Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):
· .	Enrolled Bill Amendment(s)
	Governor's Veto Message
' <u>All av</u>	ailable versions of the bill: {Clerk's Office}
	As amended by the senate as amended by the house
•	final version
Comp	leted Committee Report File Delivered to the Senate Cierk's Office By:
Comn	nittee Aide Date
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Senat	e Clerk's Office