LEGISLATIVE COMMITTEE MINUTES

SB261

Bill as Introduced

SB 261-FN - AS INTRODUCED

2022 SESSION

22-2958 12/08

SENATE BILL

261-FN

AN ACT

relative to net metering participation.

SPONSORS:

Sen. Gray, Dist 6; Sen. Avard, Dist 12; Sen. Giuda, Dist 2

COMMITTEE:

Energy and Natural Resources

ANALYSIS

This bill clarifies provisions relative to net energy metering participation and allows customergenerators to receive a payment for negative net energy usage during the subsequent billing cycle in an amount equivalent to certain credits.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Two

AN ACT

relative to net metering participation.

compensated for such surplus [shall] by either:

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

1 Net Energy Metering; Negative Net Energy Usage. Amend RSA 362-A:9, V-VI to read as

- follows:

 -V. When a customer-generator's net energy usage is negative (more electricity is fed into the distribution system than is received) over a billing period, the customer may elect to be
 - (a) [Be-credited] Receiving a credit to the customer-generator's account on an equivalent basis for use in subsequent billing cycles as a credit against the customer's net energy usage or bill in a manner consistent with either subparagraph IV(a) or IV(b), as applicable; or
 - (b) [Except as provided in paragraph VI, the customer-generator may elect to be paid or eredited by] Receiving payment or credit from the electric distribution utility for [its] the customer generator's excess generation at rates that are equal to the utility's avoided costs for energy and capacity to provide default service as determined by the commission consistent with the requirements of the Public Utilities Regulatory Policy Act of 1978 (PURPA). The commission shall determine reasonable conditions for such an election, including the frequency of payment and how often a customer-generator may choose this option versus the option in subparagraph (a)[-]; or
 - (c) Receiving a payment during the subsequent billing cycle in an amount equivalent to the credit under either subparagraph V(a) or V(b), as applicable.
 - V-a. Each customer compensated pursuant to paragraph V shall receive the credit or payment by the end of the subsequent quarter.
 - VI. [Instead of the option in subparagraph V(b), an electric distribution utility providing default service to customer-generators may voluntarily elect, annually, on a generic basis, by notification to the commission, to purchase or credit such excess generation from customer-generators at a rate that is equal to the generation supply component of the applicable default service rate, provided that payment is issued at least as often as whenever the value of such credit, in excess of amounts owed by the customer generator, is greater than \$50.] A customer-generator shall not be required to consume a minimum amount of electricity in order to participate in net energy metering.
 - 2 Net Energy Metering; Group Host Participation. Amend RSA 362-A:9, XIV(a) to read as follows:
 - XIV.(a) A customer-generator shall not be required to become a group host or otherwise engage in group net metering as a condition of participating in net energy

SB 261-FN - AS INTRODUCED - Page 2 -

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

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

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SB 261-FN- FISCAL NOTE AS INTRODUCED

AN ACT

relative to net metering participation.

FISCAL IMPACT:

[X] State

[X] County

[X] Local

[] None

	Estimated Increase / (Decrease)					
STATE:	FY 2022		FY 2023		FY 2024	FY 2025
Appropriation	\$0		\$0)	\$(\$0
Revenue	\$0		\$0)	\$(\$0
Expenditures	\$0	Γ	Indeterminable	T	Indeterminable	Indeterminable
Funding Source	[X] General	[] Education	[]	X] Highway [X] Other - Various
Funding Source:	Government Funds		, a			

COUNTY:

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

LOCAL:

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

METHODOLOGY:

This bill clarifies provisions relative to net energy metering participation and allows customer generators to receive a payment for negative net energy usage during the subsequent billing cycle in an amount equivalent to certain credits.

The Department of Energy states this bill would allow relatively larger customer-generators to participate in net-metering without having load behind the meter even if they do not group net meter and to be credited or paid at the default service rate for any net exports of the electricity generated. This would be a change from the current PUC-approved net metering tariff provisions and would permit certain renewable energy project developers and other customer-generators to net meter without sharing the benefits of that net metering with group members. This would increase the potential for the development of new projects eligible to net meter.

The Department indicates this may increase potential cost-shifting from participating to nonparticipating customers that is properly attributable to net metering tariff provisions. It is also possible that net-metered distributed generation will reduce transmission costs and avoid other utility costs. The Department is unable to quantify any such avoided costs, costs increases, or potential cost-shifting at this time. The Department is currently working with a consultant to study issues related to the value of distributed energy resources eligible to net meter and expects the study will be completed by late Spring 2022.

To the extent the bill has an impact on electricity rates, it would also impact State, county and local expenditures for electricity.

AGENCIES CONTACTED:

Department of Energy

SB 261-FN - AS AMENDED BY THE SENATE

02/16/2022 0661s

2022 SESSION

22-2958 12/08

SENATE BILL

261-FN

AN ACT

relative to net metering participation.

SPONSORS:

Sen. Gray, Dist 6; Sen. Avard, Dist 12; Sen. Giuda, Dist 2

COMMITTEE:

Energy and Natural Resources

OTP/A 5-0

AMENDED ANALYSIS

This bill requires utilities to pay a customer-generator at least quarterly for the customer-generator's excess generation, if the customer-generator has elected the payment option.

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.

02/16/2022 0661s

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT

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relative to net metering participation.

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

1 Net Energy Metering, Negative Net Energy Usage. Amend RSA 362-A:9, V(b) to read as

- 2 follows: (b) Except as provided in paragraph VI, the customer-generator may elect to be paid or 3 credited by the electric distribution utility for its excess generation at rates that are equal to the 4 utility's avoided costs for energy and capacity to provide default service as determined by the 5 commission consistent with the requirements of the Public Utilities Regulatory Policy Act of 1978 6 (PURPA). The commission shall determine reasonable conditions for such an election, including the 7 frequency of payment, provided that the commission requires the option of payment at least 8 9 quarterly, and how often a customer-generator may choose this option versus the option in 10 subparagraph (a).
 - 2 Effective Date. This act shall take effect 60 days after its passage.

SB 261-FN- FISCAL NOTE AS INTRODUCED

AN ACT

relative to net metering participation.

FISCAL IMPACT:

[X] State

[X] County

[X] Local

[] None

	Estimated Increase / (Decrease)					
STATE:	FY 2022		FY 2023		FY 2024	FY 2025
Appropriation	\$0	1	\$0) [\$0	\$0
Revenue	\$0		\$0)	\$0	\$0
Expenditures	\$0		Indeterminable		Indeterminable	Indeterminable
E din a Conne	[X]General	[] Education	[X] Highway [)	(] Other - Various
Funding Source:	Government 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 clarifies provisions relative to net energy metering participation and allows customer generators to receive a payment for negative net energy usage during the subsequent billing cycle in an amount equivalent to certain credits.

The Department of Energy states this bill would allow relatively larger customer-generators to participate in net-metering without having load behind the meter even if they do not group net meter and to be credited or paid at the default service rate for any net exports of the electricity generated. This would be a change from the current PUC-approved net metering tariff provisions and would permit certain renewable energy project developers and other customer-generators to net meter without sharing the benefits of that net metering with group members. This would increase the potential for the development of new projects eligible to net meter.

The Department indicates this may increase potential cost-shifting from participating to nonparticipating customers that is properly attributable to net metering tariff provisions. It is also possible that net-metered distributed generation will reduce transmission costs and avoid other utility costs. The Department is unable to quantify any such avoided costs, costs increases, or potential cost-shifting at this time. The Department is currently working with a consultant to study issues related to the value of distributed energy resources eligible to net meter and expects the study will be completed by late Spring 2022.

To the extent the bill has an impact on electricity rates, it would also impact State, county and local expenditures for electricity.

AGENCIES CONTACTED:

Department of Energy

SB 261-FN - AS AMENDED BY THE HOUSE

02/16/2022 0661s 4May2022... 1399h

2022 SESSION

22-2958 12/08

SENATE BILL

261-FN

AN ACT

relative to net metering participation.

SPONSORS:

Sen. Gray, Dist 6; Sen. Avard, Dist 12; Sen. Giuda, Dist 2

COMMITTEE:

Energy and Natural Resources

AMENDED ANALYSIS

This bill requires utilities to pay a customer-generator at least quarterly for the customer-generator's excess generation, if the customer-generator has elected the payment option. The bill also provides for payment to customer-generators under the alternative net metering tariff.

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.

02/16/2022 0661s 4May2022... 1399h

22-2958 12/08

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT

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relative to net metering participation.

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

- 1 1 Net Energy Metering; Negative Net Energy Usage. Amend RSA 362-A:9, V(b) to read as follows:
 - (b) Except as provided in paragraph VI, the customer-generator may elect to be paid or credited by the electric distribution utility for its excess generation at rates that are equal to the utility's avoided costs for energy and capacity to provide default service as determined by the commission consistent with the requirements of the Public Utilities Regulatory Policy Act of 1978 (PURPA). The commission shall determine reasonable conditions for such an election, including the frequency of payment, provided that the commission requires the option of payment at least quarterly, and how often a customer-generator may choose this option versus the option in subparagraph (a).
 - 2 New Paragraph; Net Energy Metering; Alternative Net Metering Tariff. Amend RSA 362-A:9 by inserting after paragraph V the following new paragraph:
 - V-a. A customer-generator subject to the alternative net metering tariff adopted by the commission in order 26,029 issued on June 23, 2017, and subsequent orders issued thereafter in docket DE 16-576, may elect to receive a payment from the distribution utility either on an annual basis in an amount equal to the accrued monetary bill credit balance that exceeds \$100 as of the end of the March billing period, or on a quarterly basis in an amount equal to the amount of the accrued monetary bill credit balance that exceeds \$25 as of the end of the most recent billing period preceding such quarterly payment. The costs reasonably incurred by a utility pursuant to this paragraph shall be recoverable.
 - 3 Effective Date. This act shall take effect 60 days after its passage.

SB 261-FN-FISCAL NOTE

AS AMENDED BY THE SENATE (AMENDMENT #2022-0661s)

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

relative to net metering participation.

METHODOLOGY:

AN ACT

This bill requires utilities to pay a customer-generator at least quarterly for the customer generator's excess generation, if the customer-generator has elected the payment option. The Office of Legislative Budget Assistant states this bill, as amended by the Senate, has no fiscal impact on state, county and local expenditures or revenue.

AGENCIES CONTACTED:

Department of Energy

LBA 22-2958 Amended 2/23/22

SB 261-FN FISCAL NOTE AS AMENDED BY THE SENATE (AMENDMENT #2022-0661s)

AN ACT	. reia	tive to net mete	ring participation.		÷
FISCAL IMPA	CT:	[] State	[] County	[] Local	[X] None

METHODOLOGY:

This bill requires utilities to pay a customer-generator at least quarterly for the customer generator's excess generation, if the customer-generator has elected the payment option. The Office of Legislative Budget Assistant states this bill, as amended by the Senate, has no fiscal impact on state, county and local expenditures or revenue.

AGENCIES CONTACTED:

Department of Energy

CHAPTER 152 SB 261-FN - FINAL VERSION

02/16/2022 0661s 4May2022... 1399h

2022 SESSION

22-2958 12/08

SENATE BILL

261-FN

AN ACT

relative to net metering participation.

SPONSORS:

Sen. Gray, Dist 6; Sen. Avard, Dist 12; Sen. Giuda, Dist 2

COMMITTEE:

Energy and Natural Resources

AMENDED ANALYSIS

This bill requires utilities to pay a customer-generator at least quarterly for the customer-generator's excess generation, if the customer-generator has elected the payment option. The bill also provides for payment to customer-generators under the alternative net metering tariff.

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.

CHAPTER 152 SB 261-FN - FINAL VERSION

02/16/2022 0661s 4May2022... 1399h

22-2958 12/08

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT

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relative to net metering participation.

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

- 152:1 Net Energy Metering; Negative Net Energy Usage. Amend RSA 362-A:9, V(b) to read as follows:
- (b) Except as provided in paragraph VI, the customer-generator may elect to be paid or credited by the electric distribution utility for its excess generation at rates that are equal to the utility's avoided costs for energy and capacity to provide default service as determined by the commission consistent with the requirements of the Public Utilities Regulatory Policy Act of 1978 (PURPA). The commission shall determine reasonable conditions for such an election, including the frequency of payment, provided that the commission requires the option of payment at least quarterly, and how often a customer-generator may choose this option versus the option in subparagraph (a).
- 152:2 New Paragraph; Net Energy Metering; Alternative Net Metering Tariff. Amend RSA 362-A:9 by inserting after paragraph V the following new paragraph:
- V-a. A customer-generator subject to the alternative net metering tariff adopted by the commission in order 26,029 issued on June 23, 2017, and subsequent orders issued thereafter in docket DE 16-576, may elect to receive a payment from the distribution utility either on an annual basis in an amount equal to the accrued monetary bill credit balance that exceeds \$100 as of the end of the March billing period, or on a quarterly basis in an amount equal to the amount of the accrued monetary bill credit balance that exceeds \$25 as of the end of the most recent billing period preceding such quarterly payment. The costs reasonably incurred by a utility pursuant to this paragraph shall be recoverable.
 - 152:3 Effective Date. This act shall take effect 60 days after its passage.

Approved: June 07, 2022

Effective Date: August 06, 2022

Amendments

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follows:

Amendment to SB 261-FN

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3 1 Net Energy Metering; Negative Net Energy Usage. Amend RSA 362-A:9, V(b) to read as

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

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

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

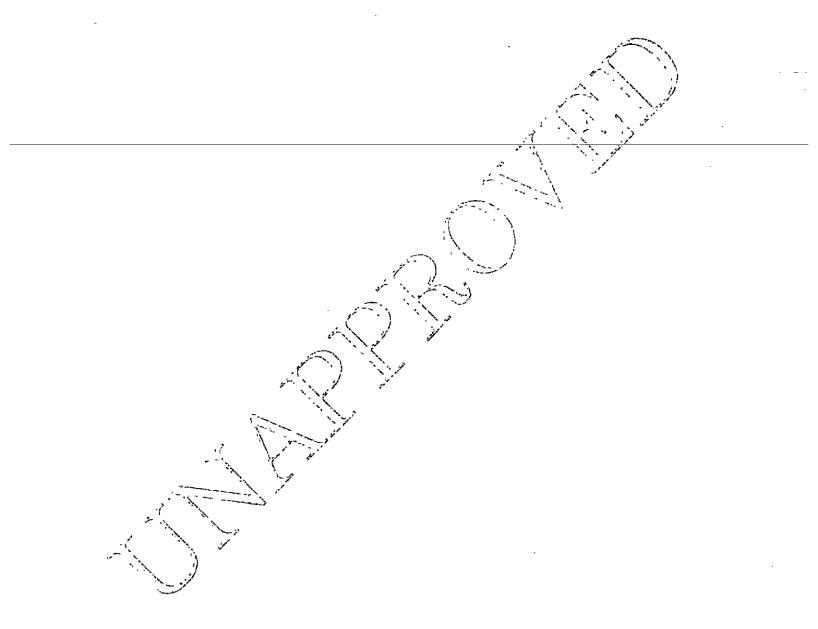
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Amendment to SB 261-FN - Page 2 -

2022-0603s

AMENDED ANALYSIS

This bill requires utilities to pay a customer-generator at least quarterly for the customer-generator's excess generation, if the customer-generator has elected the payment option.



Energy and Natural Resources February 10, 2022 2022-0661s 12/08

Amendment to SB 261-FN

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

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11 12 1 Net Energy Metering; Negative Net Energy Usage. Amend RSA 362-A:9, V(b) to read as follows:

5 6 (b) Except as provided in paragraph VI, the customer-generator may elect to be paid or credited by the electric distribution utility for its excess generation at rates that are equal to the utility's avoided costs for energy and capacity to provide default service as determined by the commission consistent with the requirements of the Public Utilities Regulatory Policy Act of 1978 (PURPA). The commission shall determine reasonable conditions for such an election, including the frequency of payment, provided that the commission requires the option of payment at least quarterly, and how often a customer-generator may choose this option versus the option in subparagraph (a).

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

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Amendment to SB 261-FN - Page 2 -

2022-0661s

AMENDED ANALYSIS

This bill requires utilities to pay a customer-generator at least quarterly for the customer-generator's excess generation, if the customer-generator has elected the payment option.

Committee Minutes

SENATE CALENDAR NOTICE Energy and Natural Resources

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

Date: January 20, 2022

HEARINGS

	Tuesday	01/25/20	01/25/2022			
	(Day)	(Date)				
Energy an	d Natural Resources	State House 103	9:00 a.m.			
(Name of (Committee)	(Place)	(Time)			
9:00 a.m.	SB 256	establishing a committee to study the feasibili evaluation committee.	ty of replacing the site			
9:15 a.m.	SB 258-FN-LOCAL	relative to the graves of African Americans ali American enslavement.	ve during the period of			
9:30 a.m.	SB 261-FN	relative to net metering participation.				
9:45 a.m.	SB 269-FN	relative to the New Hampshire weatherization	program.			
10:00 a.m.	SB 396-FN	relative to solid waste management.				
	DVI	COUNTRY SESSION MAY BOLLOW				

EXECUTIVE SESSION MAY FOLLOW

Sponsors:		•	
SB 256			
Sen. Giuda	Sen. Watters	Sen. Ward	Rep. Leishman
Rep. Vose	Rep. Harrington		•
SB 258-FN-LOCAL	-		•
Sen. Watters	Sen. D'Allesandro	Sen. Gannon	Sen. Sherman
Sen. Cavanaugh	Sen. Carson	Sen. Bradley	Sen. Rosenwald
Sen. Whitley	Sen. Prentiss	Sen. Hennessey	Sen. Perkins Kwoka
Sen. Kahn	Rep. DiLorenzo	Rep. Harriott-Gathright	
SB 261-FN	-	-	
Sen. Gray	Sen. Avard	Sen. Giuda	

SB 269-FN

Sen. AvardSen. BradleySen. CarsonSen. Perkins KwokaSen. WattersSen. RosenwaldSen. SoucySen. Prentiss

SB 396-FN

Sen. CavanaughSen. RosenwaldSen. WattersSen. HennesseySen. ShermanSen. SoucyRep. Amanda BouldinRep. Andrew Bouldin

Rep. Bixby Rep. Merner Rep. Egan

Daley Frenette 271-3042

Kevin A. Avard Chairman

Senate Energy and Natural Resources Committee

Daley Frenette 271-3042

SB 261-FN, relative to net metering participation.

Hearing Date:

January 25, 2022

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

Members of the Committee Absent: Senator Perkins Kwoka

Bill Analysis: This bill clarifies provisions relative to net energy metering participation and allows customer-generators to receive a payment for negative net energy usage during the subsequent billing cycle in an amount equivalent to certain credits.

Sponsors:

Sen. Gray

Sen. Avard

Sen. Giuda

Who supports the bill: Senator Bob Giuda, Senate District 2, Packy Campbell, Senator James Gray, Senate District 6, Janet Damiano

Who opposes the bill: Marc Brown, Consumer Energy Alliance, Janet Lucas, Susan Richman

Who is neutral on the bill: Josh Elliot, Department of Energy, Donna Gamache, Eversource, Clifton Below, Assistant Mayor-Lebanon

Summary of testimony presented:

Senator James Gray, Senate District 6

• SB 261-FN was submitted by constituent request. One concern that this bill addresses is that it can be up to a year before a person is reimbursed for net metering expenses and the amount of energy they produce. One constituent suggested being reimbursed after a period of one month however, Senator Gray believes that one month may be too demanding. Instead, the bill establishes a period of three months for reimbursement. The bill also corrects the language of the of the existing law based on what the committee has learned about net metering over time.

Marc Brown, Consumer Energy Alliance

- Mr. Brown spoke in opposition to SB 261-FN. CEA is a nationwide association that is made up of energy consumers and producers. They are dedicated to advancing energy and environmental policies that lower energy costs. CEA supports actions that thoughtfully advance the United States towards a cleaner and more environmentally responsible energy future. They believe that responsible policies always consider the needs of consumers while leveraging and supporting the development of state-of-the-art technologies to improve environmental stewardship and aiding in the continued reduction of emissions.
- This bill seems to violate the spirit of net metering. The idea of net metering was created to provide compensation to people who owned solar panels when solar panels were more expensive decades ago. Net metering allowed these people to sell their electricity back to the grid to offset costs. This bill seems to remove the requirement that individuals need to provide load behind the meter.
- If this bill were to pass and proliferate it may create an administrative burden
 for utilities regarding their billing systems. Periodic changes to billing systems
 are an expensive endeavor for utilities. This may lead to a cost increase for rate
 payers involved and not involved in net metering.
- There is an ongoing study at the PUC that is investigating the value of distributed energy resources and what they provide or do not provide in regards to transmission and distribution costs. The study will be completed soon and it would be prudent for the Senate Energy and Natural Resources Committee and the Legislature to wait until the study is complete before moving forward with advancing net metering policies.
- If a person is not consuming energy behind the meter, then the person is essentially only a generator. If a person is solely a generator, then they do not need net metering. Generators would still receive a 26 percent investment tax credit. There are still incentives to help move systems along and keep businesses in New Hampshire.
- Net metering is a bad policy and is regressive. It benefits those that receive the compensation and generally forces costs onto those that do not. Mr. Brown offered to produce the studies that show this data concerning net metering.
- Senator Avard clarified he would like to see the studies Mr. Brown mentioned.
- Senator Watters asked if SB 261-FN would undermine progress made by
 previous bills concerning net metering. Mr. Brown stated that yes this would be
 the case. He explained that if a person does not have to be a group host and
 provide benefits to consumers or they do not have to provide load, then the
 person is simply a generator. If a person is not consuming power, they are a
 generator.

Donna Gamache, Eversource

- Eversource is not taking a position on the bill. Mrs. Gamache has spoken with Senator Gray and Packy Campbell on this matter.
- Currently, Eversource provides the credit for net metering annually and it is a manual process. If this bill passes, more people will participate. Even if more people do not participate, Eversource would either be required to hire more employees or upgrade their billing systems. She has spoken to the people who handle billing at Eversource, and they concluded that they cannot provide an exact cost for this, however they estimate it could be one million dollars.
- If this bill passes, Eversource would like the opportunity to provide language that provides them with cost recovery to offset the increases in costs for billing.
- Senator Watters asked a question on behalf of Senator Perkins Kwoka concerning the settlement of accounts. Senator Watters stated that in general, there is an annual settlement of accounts, and therefore there is a reimbursement annually. He asked if SB 261-FN would create the problems that have been described. Mrs. Gamache stated that it would create problems and reiterated that Eversource would like to recover the costs associated with meeting the new expectations implemented by the bill.
- Senator Watters stated that if costs increase and are recoverable, people will have to make up for those increased costs.
- Senator Giuda asked if there is a way of allocating the increased cost to the net metering population exclusively from the general rate payer base. Mrs. Gamache stated that she would have find out the answer to the question.
- Senator Gray asked if the increased costs associated with updating the billing system should be considered costs of doing business. Mrs. Gamache stated that if the bill passes, it would be considered a cost of doing business. As a regulated utility, everything that Eversource does needs to be approved by the PUC. The PUC ensures that whatever Eversource does is at the least cost. Eversource wants to ensure that there is no confusion and at some point, all the costs would not be recovered.
- Senator Gray asked if the same changes to the program would apply if the state adopted smart meters that record how much energy a person uses and how much they produce. Mrs. Gamache clarified that Eversource currently does not have smart meters. The current meters allow meter readers to drive by properties and record the data. The PUC has discussed moving to smart meters. The current law lists them as an opt-in requirement. Mrs. Gamache believes that the same changes would follow in the case of smart meters. The higher costs associated with these changes are not something the utilities are looking forward to incurring.
- Senator Gray asked if a person wants to calculate how much energy is being produced and take advantage of the credits associated with it, they will have to use these meters. Mrs. Gamache was unsure about the exact process.

- Senator Avard asked if this bill would undermine the progress made on net metering through other legislation. Mrs. Gamache has not been told that it does, but she agreed she would find out the answer.
- Senator Watters asked for clarification on the expense of upgrading the meters. Mrs. Gamache stated that it would be very expensive and that is if the costs are shifted to the costumers who opted-in to the program.
- Senator Watters added that he believes the issue with net metering have always revolved around distribution costs and how they were calculated in relationship to net metering. It seems this bill reopens the notion on who participates in net metering and therefore the issue of the relationship of these participants to the distribution costs. Mrs. Gamache stated that in general it is an issue. Other states that have moved more rapidly on net metering policy have encountered these issues. It is something to think about in the future since NH is not at that point yet.

Josh Elliot, Department of Energy

- The DOE is not taking a stance on this bill, but Mr. Elliot wanted to clarify several concerns on behalf of the department.
- Currently PUC rule 903.02 subsection D, requires that customer generators have a minimum of 20 percent load behind the meter in order to participate, or they have to participate as a group host and share the benefits that come with that. This is based on legislatively directed docket DE16-576 which resulted in order 26,000-029. Rules that have been put in place based on this order have the full effect of law. There have been several studies that were commissioned that were tasked to find out what the rate and requirements should be. The Value of Distributed Energy Resources Study should be completed by late spring 2022. SB 261-FN eliminates the minimum consumption requirement and group host requirement. It essentially removes the "net" from "net metering". The current rate was designed for these limited circumstances. It was not designed for pure generation. There are several requirements that come along with being a generator including not being paid default service.
- This legislation is premature. If the state would like to pursue this legislation, it should wait for the studies to be completed and for the PUC to adjudicate on the matter. It is possible that this legislation could exacerbate cost shifting, the studies will tell us more once they are complete.
- Based on the existing net metering requirements, a person should only need to get paid once a year. If someone is consuming at least 20 percent behind the meter, they will have some cash back. However, most people do not receive large payouts.
- The DOE is concerned about the high costs to utilities if the bill passes.
 Depending on how many people sign up, this leads to the issue of billing. The

- department is also concerned about rate payers having to take on the increased costs.
- Senator Avard asked Mr. Elliot to explain the Value of Distributed Energy Resources Study. The study is investigating transmission costs and how they are reduced among other variables. Senator Avard asked if this study would determine the feasibility of SB 261-FN. Mr. Elliot clarified that it would answer some of the questions, but not all of them.
- Senator Watters clarified that the reason why electricity generators are regulated and why certain accommodations are made for specific generators is because the state wants to ensure the reliability of the sources of generation and the associated cost of the distribution of that power. Mr. Elliot agreed with Senator Watters.
- Senator Giuda asked if it is possible to segregate any additional costs and assign them to the net metering population. Mr. Elliot did not have that information on hand but clarified he would discuss the matter with the DOE.
- Senator Watters asked if the questions the committee has been discussing was the main subject of the lead study from the previous summer. The report that Representative Vose published recommends being cautious in making changes to net metering at this time. Mr. Elliot agreed that the issues are very complex, and that Senator Watters was correct in his statement.
- Senator Giuda is concerned that it seems that ratepayers are essentially loaning the utilities money and they are not getting the money back over the course of an entire year. He is also concerned that markets are meant to provide consumers options and the utilities are not giving consumers cost options at this point. Mr. Elliot stated that he would discuss the subject with the DOE to see if Senator Giuda's concerns are feasible.

Packy Campbell

- Mr. Campbell spoke in support of the bill. He is a small business owner who
 participates in net metering. He owns approximately 6-7 small businesses. Over
 the past two years he has seen his electric bill percent 18 percent. He several of
 his projects are grandfathered under the previous net metering laws.
- Mr. Campbell produces approximately 1,188,000 Kilowatts of solar energy. He stated that the energy he produces will bring down costs and he does not believe the arguments that have been stated concerning cost shifting.
- Mr. Campbell stated that he is a customer generator. He consumes over 20 percent behind the meter and stated that consuming behind the meter offsets 29 cents. If he sends it to the grid, it is worth 8.8 cents. If he produces less than 100 kilowatts, he gets approximately 12 cents.
- Mr. Campbell stated that he wants to compete with the utility companies and produce large amounts of electricity under the current law. He would like to be paid quarterly instead of yearly.

- Mr. Campbell believes that it is not fair that he should be paid yearly. He also is
 concerned that he cannot prove how much he consumes. His electric bills do not
 tell him how much he consumes. As a customer generator, Mr. Campbell
 believes that it is unfair to put the administrative burden for group net
 metering on him. He does not want to be forced to participate in group net
 metering.
- Senator Avard asked when he was grandfathered under the old net metering laws. Mr. Campbell stated it was approximately 2017.
- Senator Giuda asked if the meters are included in the cost of installation. Mr. Campbell pays Eversource a fee of one thousand dollars and Eversource provides the meter. Smaller systems cost less.
- Senator Giuda asked if he is correct in stating that the 20 percent rule is arbitrary, was not scientifically developed, and is an impediment to increasing solar net metering and generation in NH. Mr. Campbell agreed with Senator Giuda.

DF Date Hearing Report completed: January 28, 2022

Speakers

Senate Energy & Natural Resources Committee SIGN-IN SHEET

Date: 1/25/2022

Time: 9:30 a.m.

SB 261-FN

AN ACT relative to net metering participation.

	Name/Representing (please print neatly)					
✓	Senator Bob Girda (602)	Support	Oppose	Speaking?	Yes	No U
√	MARCBROWN Consumer Energy Alliance Packy Comphell	Support	Opposé	Speaking?	Yes	No
	Packy Couphell	Support	Oppose	Speaking?	Yes	No 🗆
Y	Josh Elliott NH Dept. of Energy	Support	Oppose	Speaking?	Yes	No
/	Donna Gamache Eversource	Support	Oppose	Speaking?	Yes	No 🗆
√	Josh Elliott NH Dept. of Energy Donna Gamache Eversource Sen. James Gray 506	Support	Oppose	Speaking?	Yes	No 🔲
		Support	Oppose	Speaking?	Yes	No □
		Support	Oppose	Speaking?	Yes	No
	•	Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No
;		Support _	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No 🗆
	,	Support	Oppose	Speaking?	Yes	No □
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No □

Senate Remote Testify

Energy and Natural Resources Committee Testify List for Bill SB261 on 2022-01 Support: 2 Oppose: 2

<u>Name</u>	<u>Title</u>	Representing	<u>Position</u>
Lucas, Janet	A Member of the Public	Myself	Oppose
Richman, Susan	A Member of the Public	Myself	Oppose
Below, Clifton	An Elected Official	Myself	Neutral
Damiano, Janet	A Member of the Public	Myself	Support
Oxenham, Evan	A Member of the Public	Myself	Support

Testimony

Daley Frenette

From:

Linton-Keddie, Shelby <slinton@eei.org>

Sent:

Tuesday, January 25, 2022 8:52 AM

To:

Kevin Avard; Bob Giuda; James Gray; Rebecca Perkins Kwoka; David Watters; Daley

Frenette

Cc:

Zaccagnino, Michelle Comments re SB 261

Subject: **Attachments:**

FINAL EEI Comments_NH SB 261_1-25-22.pdf

Chair Avard, Vice Chair Guida, and Committee Members,

Please find attached a letter from the Edison Electric Institute regarding proposed SB 261, relative to net metering participation.

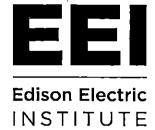
Upon review, feel free to contact me with any questions or concerns.

Best,

Shelby Linton Keddie

Shelby A. Linton-Keddie, Esq.

Senior Director, State Energy & Regulatory Policy Edison Electric Institute 701 Pennsylvania Avenue, NW Washington, D.C. 20004-2696 202-508-5143 717-666-5127 (mobile) www.eei.org



Power by Association

January 25, 2022

VIA E-MAIL

Chairman Kevin Avard Vice Chairman Bob Guida Energy and Natural Resources Committee Room 103, Legislative Office Building 107 North Main Street Concord, NH 03301

Re: SB 261, Relative to Net Metering Participation

Dear Chairman Avard and Vice Chairman Guida.

The Edison Electric Institute (EEI) respectfully submits these comments to the New Hampshire Senate Energy and Natural Resources Committee (Committee) in consideration of the above-referenced legislation, SB 261. EEI appreciates the opportunity to comment on this piece of legislation that is designed to clarify requirements for net metering participation and to revise the payment and crediting for negative net energy use from net metering.

EEI is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for more than 220 million Americans and operate in all 50 states as well as the District of Columbia. EEI's members include all investor-owned electric companies that serve customers in New Hampshire. Collectively, the electric power industry supports more than 7 million jobs in communities across the United States. Our members provide Americans in all parts of the country with reliable, affordable, and sustainable electricity, and are committed to giving all customers the electricity services they desire at rates that are reasonable and equitable.

Net metering policy was originally intended to incentivize early adopters; however, its unintended outcomes have created sizeable subsidies from one group of customers to another. Now that the cost of solar systems has come down significantly, there is no longer a need for these distorted subsidies. However, the changes as proposed in SB 261, which lessen requirements for customers seeking to net meter by eliminating a requirement for load behind the meter and which require net metering payments to be applied to subsequent billing cycles will create additional administrative costs borne by electric companies and, by the Department of Energy's own analysis, will increase potential cost-shifting from participating to non-participating customers. The gross impact of this cost shift may be small initially due to low penetration rates, but it is true and real—especially for customers that are low-income or economically impacted due to the ongoing pandemic.

There is a clear recognition of the need to protect non-generating customers from this policy and find a path that works for all customers, as well as electric companies, by ensuring that any additional costs created by this legislation, if passed, will be recoverable on a full and current basis by electric companies.

Solar power is an important part of our energy future, and the energy grid is the essential infrastructure that helps to deliver solar energy to customers. It is important that policymakers and regulators, including the New Hampshire legislature, propose solutions that best recover costs and eliminate subsidies when looking to reform outdated net metering policies to ensure a sustainable future for solar that benefits all electricity customers.

Thank you for the opportunity to provide public comment on these issues. As you move forward, EEI is available to work with the Senate Energy and Natural Resources Committee as it considers SB 261 and other pieces of legislation designed to refine net metering policy for the state. We look forward to working with the Committee and other interested stakeholders as you set a pathway for solar that benefits all of New Hampshire's citizens.

Respectfully submitted,

Adam L. Benshoff

Adam L. Benshoff Vice President, Regulatory Policy Edison Electric Institute 701 Pennsylvania Ave., N.W. Washington, DC 20004-2696 abenshoff@eei.org

Shelby A. Linton-Keddie Senior Director, State Regulatory Policy Edison Electric Institute 701 Pennsylvania Ave., N.W. Washington, DC 20004-2696 slinton@eei.org

Daley Frenette

From: Elliott, Joshua W < joshua.w.elliott@energy.nh.gov>

Sent: Thursday, January 27, 2022 3:53 PM

To: Kevin Avard; Bob Giuda; James Gray; Rebecca Perkins Kwoka; David Watters

Cc: Daley Frenette

Subject: SB 261 Additional Information

Good Afternoon Senators,

Regarding Senator Giuda's question about assessing the cost to upgrade the billing system to allow more regular payouts, the answer I received from my colleagues here at the Department is that it is possible and could be done through statute, but the devil is in the details. Assessing to just those who want a yearly payout would create a chicken and the egg situation, where no one would want to elect it due to the cost, but then the per customer cost will never drop since no one enrolls. Assessing the cost over all those who net meter would lower the per customer cost, since it is spread over a wider base, but nearly all of these customers the payout amounts are small enough that yearly payments make sense or they have no payouts at all, raising the question of fairness. The sense is that such an assessment would put a substantial damper on net metering. This gets to the heart of the situation: the regulatory framework of net metering was not designed to function as a regular revenue stream. An easier solution to this may be to have the utilities do quarterly estimated payments with a reconciliation at the end of the year, or something along those lines. However, I do not know if such a route would negate the need for utilities to upgrade their billing systems.

Mr. Campbell made repeated references to the 20% behind the load requirement. I wanted to provide the packground for that figure: it was specifically required by the PUC order issued in the docket. It was not arbitrarily created in the Rules. 20% was the number proposed by the settling parties as the minimum load requirement, which is how it arrived in the order. Unfortunately how they arrived at that figure specifically is not explained in the docket, although I can ask folks who were with the PUC at the time. Given it is a round number, it may have just been a compromise position.

Best, Josh

Josh Elliott
Director, Division of Policy and Programs
New Hampshire Department of Energy
Walker Building, Suite 10
21 S. Fruit Street, Concord NH, 03301
(o) (603) 271-6003
(c) (603) 573-6146
Joshua.W.Elliott@energy.nh.gov

Voting Sheets

Senate Energy & Natural Resources Committee

EXECUTIVE SESSION RECORD

2021-2022 Session

Ti consider

Hearing Date: 1/25	Bill# 26	
Executive Session Date: 2/16		
Motion of:	Vote:	
Committee Member Present Sen. Avard, Chair Sen. Giuda, Vice Chair Sen. Gray Sen. Watters Sen. Perkins Kwoka	Made by Second Yes No	
Motion of: Committee areal rest	Vote:	
Committee Member Present Sen. Avard, Chair Sen. Giuda, Vice Chair Sen. Gray Sen. Watters Sen. Perkins Kwoka	Made by Second Yes No	
Motion of: Consert	Vote: 5-0	
	Made by Second Yes No	
Motion of:	Vote:	
Committee Member Present Sen. Avard, Chair Sen. Giuda, Vice Chair Sen. Gray Sen. Watters Sen. Perkins Kwoka	Made by Second Yes No	
Reported out by:		
Notes:		

Senate Finance Committee

EXECUTIVE SESSION

1/2	Bill # SB 261-FN
Hearing date:	
Executive session date: $\frac{\partial 2}{\partial a} \frac{\partial 2}{\partial a}$	
Motion of:	VOTE: 3-0
Made by Daniels Seconded Daniels	Reported Daniels
Senator: Reagan by Senator: Reagan	by Senator: Reagan
Giuda 🗆 . Giuda	Giuda B
Rosenwald - Rosenwald	Rosenwald
D'Allesandro D'Allesandro	D'Allesandro
Morse Morse	☐ Morse ☐
Hennessey 🗌 Hennessey	☐ Hennessey ☐
Motion of:	VOTE:
Made by Daniels	Reported 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 ☐
riciniosey Es riciniosey	Tiennessey
Committee Member Present Yes	No Reported out by
Senator Daniels, Chairman	
Senator Reagan, Vice-Chair	
Senator Hennessey	
Senator Rosenwald	
Senator Morse	
Senator D'Allesandro	
Amendments:	<u> </u>
Notes:	

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE FOR THE CONSENT CALENDAR

Thursday, February 10, 2022

THE COMMITTEE ON Energy and Natural Resources

to which was referred SB 261-FN

AN ACT

relative to net metering participation.

Having considered the same, the committee recommends that the Bill

OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 5-0

AMENDMENT # 0661s

Senator James Gray For the Committee

Currently, net metering customer generators receive payment for negative net energy usage on an annual basis. SB 261-FN clarifies provisions relative to net energy metering participation and allows customer generators the option of receiving payments for negative energy usage on a quarterly basis.

Daley Frenette 271-3042

FOR THE CONSENT CALENDAR

ENERGY AND NATURAL RESOURCES

SB 261-FN, relative to net metering participation. Ought to Pass with Amendment, Vote 5-0. Senator James Gray for the committee.

Currently, net metering customer generators receive payment for negative net energy usage on an annual basis. SB 261-FN clarifies provisions relative to net energy metering participation and allows customer generators the option of receiving payments for negative energy usage on a quarterly basis.

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Tuesday, February 22, 2022

THE COMMITTEE ON Finance

to which was referred SB 261-FN

AN ACT

relative to net metering participation.

Having considered the same, the committee recommends that the Bill

OUGHT TO PASS

BY A VOTE OF: 5-0

Senator Bob Giuda For the Committee

Deb Martone 271-4980

General Court of New Hampshire - Bill Status System

Docket of SB261

Docket Abbreviations

Bill Title: relative to net metering participation.

Official Docket of SB261.:

Date	Body	Description
12/14/2021	S	To Be Introduced 01/05/2022 and Referred to Energy and Natural Resources; SJ 1
1/20/2022	S	Hearing: 01/25/2022, Room 103, SH, 09:30 am; SC 4
2/10/2022	S	Committee Report: Ought to Pass with Amendment #2022-0661s, 02/16/2022; Vote 5-0; CC; SC 7
2/16/2022	S	Committee Amendment #2022-0661s, AA, VV; 02/16/2022; SJ 3
2/16/2022	S	Ought to Pass with Amendment 2022-0661s, MA, VV; Refer to Finance Rule 4-5; 02/16/2022; SJ 3
2/22/2022	S	Committee Report: Ought to Pass, 02/24/2022; SC 8A
2/24/2022	S	Ought to Pass: MA, VV; OT3rdg; 02/24/2022; SJ 4
3/23/2022	· H	Introduced 03/17/2022 and referred to Science, Technology and Energy
3/30/2022	н	Public Hearing: 04/05/2022 01:30 pm LOB 306-308
4/15/2022	Н	Executive Session: 04/05/2022 01:30 pm LOB 306-308
4/15/2022	Н	Committee Report: Ought to Pass with Amendment #2022-1399h (Vote 19-2; CC)
5/4/2022	Н	Amendment # 1399h: AA VV 05/04/2022 HJ 11
5/4/2022	Н	Ought to Pass with Amendment 1399h: MA VV 05/04/2022 HJ 11
5/12/2022	S	Sen. Avard Moved to Concur with the House Amendment, MA, VV; 05/12/2022; SJ 12
5/27/2022	S	Enrolled Adopted, VV, (In recess 05/26/2022); SJ 13
5/27/2022	Н	Enrolled (in recess of) 05/26/2022 HJ 14
6/8/2022	S	Signed by the Governor on 06/07/2022; Chapter 0152; Effective 08/06/2022

NH House	NH Senate

Other Referrals

Senate Inventory Checklist for Archives 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 # _____ ____ - 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 X as amended by the house final version

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

Committee Aide

Senate Clerk's Office

Senate Inventory Checklist for Archives

Bill Nu	umber: SB Q61-FN Senate Committee: Encrsy
	include all documents in the order listed below and indicate the documents which have been d with an "X" beside
\boxtimes	Final docket found on Bill Status
Bill He	earing Documents: {Legislative Aides}
$\stackrel{\checkmark}{\simeq}$	Bill version as it came to the committee
\propto	All Calendar Notices
SRRKIRK	Hearing Sign-up sheet(s)
	Prepared testimony, presentations, & other submissions handed in at the public hearing
\propto	Hearing Report
$ \swarrow $	Revised/Amended Fiscal Notes provided by the Senate Clerk's Office
Commi	ittee Action Documents; {Legislative Aides}
All ame	endments considered in committee (including those not adopted):
۸.	amendment # amendment #
$\stackrel{\times}{\longrightarrow}$	Executive Session Sheet
<u>~</u>	Committee Report
Floor A	Action Documents: {Clerk's Office}
All floor	r amendments considered by the body during session (only if they are offered to the senate):
	amendment # amendment #
	amendment # amendment #
Post F	loor 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 ava	nilable versions of the bill: {Clerk's Office}
	X as amended by the senate X as amended by the house
,	final version
Comple	eted Committee Report File Delivered to the Senate Clerk's Office By:
1	20els C/24/22
Commi	ittee Aide Date
	2