

LEGISLATIVE COMMITTEE MINUTES

SB68

Bill as Introduced

SB 68-FN - AS INTRODUCED

2023 SESSION

23-0789

10/08

SENATE BILL

68-FN

AN ACT

relative to municipal host for purposes of limited electrical energy producers.

SPONSORS:

Sen. Avard, Dist 12; Sen. Watters, Dist 4; Sen. Pearl, Dist 17

COMMITTEE:

Energy and Natural Resources

ANALYSIS

This bill removes the requirement that a municipal host under the limited electrical energy producers act be located in the same municipality as all group members.

Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to municipal host for purposes of limited electrical energy producers.

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

1 1 Limited Electrical Energy Producers Act; Definitions. Amend RSA 362-A:1-a, II-c to read as
2 follows:

3 II-c. "Municipal host" means a customer generator with a total peak generating capacity of
4 greater than one megawatt and less than 5 megawatts used to offset the electricity requirements of a
5 group consisting exclusively of one or more customers who are political subdivisions, provided that
6 all customers are located within the same utility franchise service territory. [~~A municipal host shall
7 be located in the same municipality as all group members if the facility began operation after
8 January 1, 2021.~~] A municipal host may be owned by either a public or private entity. For this
9 definition, "political subdivision" means the state of New Hampshire or any city, town, county, school
10 district, chartered public school, village district, school administrative unit, or any district or entity
11 created for a special purpose administered or funded by any of the above-named governmental units.

12 2 Effective Date. This act shall take effect 60 days after its passage.

LBA
23-0789
1/11/23

**SB 68-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to municipal host for purposes of limited electrical energy producers.

FISCAL IMPACT:

Due to time constraints, the Office of Legislative Budget Assistant is unable to provide a fiscal note for this bill, as introduced, at this time. When completed, the fiscal note will be forwarded to the Senate Clerk's Office.

AGENCIES CONTACTED:

Department of Energy

**SB 68-FN FISCAL NOTE
AS INTRODUCED**

AN ACT relative to municipal host for purposes of limited electrical energy producers.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<input checked="" type="checkbox"/> General Various Government Funds	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input checked="" type="checkbox"/> Other

COUNTY:

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

LOCAL:

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

METHODOLOGY:

This bill removes the requirement that a municipal host under the limited electrical energy producers act be located in the same municipality as all group members.

Regarding revenues, the Department of Energy states this bill would have no impact on state revenues. To the extent the bill spurs creation of additional privately owned electricity generation subject to property taxes, county and local revenues would increase by an indeterminable amount.

The Department indicates removal of the requirement that a municipal host be located in the same municipality as all the group members would allow for newly constructed generation serving as a municipal host to have members from outside the same municipality as the host, provided they are in the same utility franchise territory. If a political subdivision, now

participates as a municipal host or as a member of a municipal group host arrangement, their cost for electricity would decrease. To the extent cost shifting occurs as a result of net metered electricity, the cost of electricity for the state, counties, and units of local government could increase by an indeterminable amount for those not participating in net metering. In Docket 22-060, the Public Utilities Commission, as part of a review of the existing net metering tariff, is looking into the question of whether cost shifting occurs.

It is assumed that any fiscal impact would occur after FY 2023.

AGENCIES CONTACTED:

Department of Energy

Committee Minutes

SENATE CALENDAR NOTICE
Energy and Natural Resources

Sen Kevin Avard, Chair
Sen Howard Pearl, Vice Chair
Sen Regina Birdsell, Member
Sen David Watters, Member
Sen Debra Altschiller, Member

Date: January 19, 2023

HEARINGS

Tuesday	01/24/2023	
(Day)	(Date)	
Energy and Natural Resources	State House 103	9:00 a.m.
(Name of Committee)	(Place)	(Time)

9:00 a.m.	SB 68-FN	relative to municipal host for purposes of limited electrical energy producers.
9:15 a.m.	SB 60	relative to water quality.
9:30 a.m.	SB 61	relative to surface water setbacks for landfills.
9:45 a.m.	SB 62	relative to landowner liability under RSA 147-B, the hazardous waste cleanup fund.

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

SB 68-FN	Sen. Watters	Sen. Pearl	
Sen. Avard			
SB 60	Sen. Watters	Sen. Avard	Rep. Renzullo
Sen. Gray			
SB 61	Sen. Lang	Sen. Ward	Sen. Watters
Sen. Avard			
Sen. Carson			
SB 62	Sen. Watters	Sen. Murphy	
Sen. Avard			

Nikolas Liamos 271-7875

Kevin A. Avard
Chairman

Senate Energy and Natural Resources Committee

Nikolas Liamos 271-7875

SB 68-FN, relative to municipal host for purposes of limited electrical energy producers.

Hearing Date: January 24, 2023

Time Opened: 9:00 a.m.

Time Closed: 9:18 a.m.

Members of the Committee Present: Senators Avard and Altschiller

Members of the Committee Absent : Senators Pearl, Birdsell and Watters

Bill Analysis: This bill removes the requirement that a municipal host under the limited electrical energy producers act be located in the same municipality as all group members.

Sponsors:

Sen. Avard

Sen. Watters

Sen. Pearl

Who supports the bill: Meredith Hatfield, Sam Evans Brown, Pat Jackson, Nick Lydon, Natch Greyes, Patricia Beffa-Negrini, Bonnie Hill, Kate Horgan, Senator David Watters (SD 4), Carol Foss, Kate Coon, Susan Richman, Joanne Casino, Barbara Reed, Margaret Jernstedt, Ann Garland, Jack Hurley, Lois Cote, Olivia Ottaviano, Gale Taylor, Susan Moore, Martha Hennessey, Lyn Lindpaintner, Rick Russman, and Barbara Southard

Who opposes the bill: None

Who is neutral on the bill: Joshua Elliott

Summary of testimony presented in support:

Senator Kevin Avard

Senate District 12

- Senator Kevin Avard introduced the bill and provided background on the bill.
- Senator Kevin Avard stated that when Governor Sununu signed HB 315 in 2021, municipal net energy metering projects were expanded to allow up to 5 megawatts.
- Senator Avard noted that between 3 to 5 megawatts is the sweet spot where you can deliver low-cost energy that can still be integrated into the power grid.
- Senator Avard stated that net metering projects are having trouble finding eligible participants for projects under the current statute. This bill would amend the current

statute to increase the number of eligible participants allowing for more net metering projects.

- Senator Avard stated that Senate Bill 68 would allow for municipalities to team up and enter into net energy metering projects together.
- Senator Altschiller asked Senator Avard to clarify the current net metering statute. Senator Avard responded that under the current statute there are limited options as to who is eligible to enter into partner agreements for these projects, SB 68 would increase this eligibility.
- Senator Avard stated that by allowing more in state net energy metering projects, it will allow us to better control energy rates.

Sam Evans Brown

Clean Energy New Hampshire

- Sam Evans Brown stated that SB 68 essentially is concerned about the scale of net energy metering projects.
- Mr. Evans Brown stated that around 3 megawatts of energy load is the threshold when a project delivers affordable low cost clean energy.
- Mr. Evans Brown shared an example under Senate Bill 68. If there were 5 SAUs, a city hall and wastewater treatment plant who banded together and produced enough of an energy load, they would be eligible to partner up and sell the energy back to the grid using net energy metering.

Pat Jackson

Cofounder, Rewild Renewables

- Pat Jackson stated that Senate Bill 68 is a technical fix to allow municipalities to have more participation in net energy metering projects.
- Mr. Jackson stated that the effects of the rising prices of energy can be mitigated under SB 68 because, by keeping energy generation in New Hampshire it will better enable us to control the price of our power.
- Mr. Jackson noted that net energy metering projects create significant job growth, for example there are 15-20 jobs per megawatt on each project.
- Mr. Jackson pointed out that there are no major cost shifts associated with in state renewables.

Summary of testimony presented in opposition:

Neutral Information Presented:

Joshua Elliott

Director of Policy and Programs, Department of Energy

- Joshua Elliott stated that the Department of Energy is neutral on Senate Bill 68.
- Mr. Elliott stated that the DOE would like to see a hard line of who can participate and who cannot.

- Mr. Elliott stated that there is currently a docket in front of the Public Utilities Commission to analyze net metering tariffs.
- Mr. Elliott stated that there are currently 10 municipal host net metering projects in New Hampshire.

NPL

Date Hearing Report completed: January 25, 2023

Speakers

Senate Remote Testify

Energy and Natural Resources Committee Testify List for Bill SB68 on 2023-01
Support: 20 Oppose: 0

<u>Name</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>
Beffa-Negrini, Patricia	A Member of the Public	Myself	Support
Hill, Bonnie	A Member of the Public	Myself	Support
Horgan, Kate	A Lobbyist	NH Association of Counties	Support
Watters, Senator David	An Elected Official	Myself	Support
Foss, Carol	A Lobbyist	New Hampshire Audubon	Support
Coon, Kate	A Member of the Public	Myself	Support
Richman, Susan	A Member of the Public	Myself	Support
Casino, Joanne	A Member of the Public	Myself	Support
Reed, Barbara	A Member of the Public	Myself	Support
Jernstedt, Margaret	A Member of the Public	Myself	Support
Garland, Ann	A Member of the Public	Myself	Support
Hurley, Jack	A Member of the Public	Myself	Support
Cote, Lois	A Member of the Public	Myself	Support
Ottaviano, Olivia	A Member of the Public	Myself	Support
Taylor, Gale	A Member of the Public	Myself	Support
Moore, Susan	A Member of the Public	Myself	Support
Hennessey, Martha	A Member of the Public	Myself	Support
Lindpaintner, Lyn	A Member of the Public	Myself	Support
Wysman, Rick	An Elected Official	Myself	Support
Whitard, Barbara	A Member of the Public	Myself	Support

Testimony



CLEAN ENERGY NH

Your Voice in All Energy Matters

14 Dixon Ave, Suite 202 | Concord, NH 03301 | (603) 573-9926

January 23, 2023

Senator Kevin Avar, Chair
Senate Energy and Natural Resources Committee
Legislative Office Building, Room 304
Concord, NH 03301

Testimony on SB68 and SB69, acts relative to Group Net Energy Metering Projects

Dear Senator Avar and members of the Committee,

Clean Energy NH supports Senate Bills 68 and 69, though we would suggest that SB69 be amended to allow the formation of mixed municipal and non-profit groups.

Community scale renewable energy projects represent one of the best opportunities for our state to reduce energy spending. Studies have forecast that a clean energy grid that maximizes distributed energy projects throughout the United States is one which would save \$88 billion in energy spending by 2050.¹ The primary method through which renewable energy projects of this scale are compensated is through “net energy metering” which determines the rates at which “customer-generators” are reimbursed for excess electrical production that is exported and consumed by neighbors.

In order to increase access to community scale renewable energy, the legislature passed and the governor signed HB315 in 2021, which expanded the cap on net metered renewable energy projects from 1MW to 5MW. This critical expansion allows community scale projects to achieve the economy of scale necessary to unlock lower cost of energy for consumers. However, HB 315 was a limited expansion of the state’s community scale energy policy because it contained two limitations, which were intended to keep in check the growth of net metered production.

1. New net metered projects could only sign up customers within the same municipality as the facilities physical location, and;
2. Only municipal electrical accounts could sign up as customers for net metered projects.

These restrictions were created because there was still a lingering uncertainty that net metering resulted in large amounts of “cost-shift,” which is to say that net-metered customers are not paying their fair share of costs for the upkeep of the grid. If cost-shift were found to be occurring, it would mean an increase in net metering would result in rising rates for non-net metered projects. In 2017, the Public Utilities Commission commissioned a detailed study as to the costs and benefits of “distributed energy resources,” which was finally released in fall of 2022. The findings of the study are striking, and show that large (>100KW) renewable projects have actually been systematically undercompensated for years.²

While many communities have been able to realize substantial savings on their energy bills thanks to contracts signed with existing community-scale, net-metered hydropower facilities, the past two years have revealed that the restrictions

¹ https://www.vibrantcleanenergy.com/wp-content/uploads/2020/12/WhyDERs_ES_Final.pdf

² <https://www.energy.nh.gov/sites/g/files/ehbemt551/files/inline-documents/sonh/nh-vder-report.pdf>

contained in HB315 are substantial barriers to the development of new community solar projects. Only a small handful of community solar projects have been able to match a good site for construction with enough municipal load.

These bills would help solve this problem by allowing towns to band together to share in the electricity produced by solar arrays in neighboring towns (in the case of SB68) or by allowing developers to serve hospitals, churches or private schools to assemble larger, more cost-effective projects (in the case of SB69).

With data in hand showing that net metering is not resulting in substantial cost-shifting, and with the state currently gripped by an energy affordability crisis, it is the right time to take the next incremental step forward in creating a thriving community solar program in the Granite State.

We urge you to recommend these bills as ought to pass.

Sincerely,
Sam Evans-Brown



Executive Director

Clean Energy NH is a 501(c)(3) nonprofit organization. Our membership includes 130+ businesses, 34 municipal members—comprising over 300,000 NH citizens—and 400+ individuals in every corner of the Granite State. We advocate for the adoption of clean energy initiatives through a non-partisan, fact-based lens.

Voting Sheets

Senate Energy and Natural Resources Committee

EXECUTIVE SESSION RECORD

2023-2024 Session

Bill # **SB68**

Hearing date: **1/24/23**

Executive Session date: **1/24/23**

OSP

Motion of: _____ Vote: **3-0**

Committee Member	Present	Made by	Second	Yes	No
Sen. Avard, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Pearl, Vice Chair	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Watters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Altschiller	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Present	Made by	Second	Yes	No
Sen. Avard, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Pearl, Vice Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Watters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Altschiller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Present	Made by	Second	Yes	No
Sen. Avard, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Pearl, Vice Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Watters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Altschiller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: _____

Notes: _____

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Tuesday, January 24, 2023

THE COMMITTEE ON Energy and Natural Resources

to which was referred SB 68-FN

AN ACT

relative to municipal host for purposes of limited
electrical energy producers.

Having considered the same, the committee recommends that the Bill

OUGHT TO PASS

BY A VOTE OF: 3-0

Senator Kevin Avar
For the Committee

Nikolas Lamos 271-7875

ENERGY AND NATURAL RESOURCES

SB 68-FN, relative to municipal host for purposes of limited electrical energy producers.

Ought to Pass, Vote 3-0.

Senator Kevin Avard for the committee.

General Court of New Hampshire - Bill Status System

Docket of SB68

Docket Abbreviations

Bill Title: relative to municipal host for purposes of limited electrical energy producers.*Official Docket of SB68.:*

Date	Body	Description
1/12/2023	S	Introduced 01/05/2023 and Referred to Energy and Natural Resources; SJ 4
1/19/2023	S	Hearing: 01/24/2023, Room 103, SH, 09:00 am; SC 7
1/25/2023	S	Committee Report: Ought to Pass, 01/26/2023; SC 7A
1/26/2023	S	Ought to Pass: MA, VV; OT3rdg; 01/26/2023; SJ 5
3/20/2023	H	Introduced (in recess of) 03/16/2023 and referred to Science, Technology and Energy
3/28/2023	H	Public Hearing: 04/03/2023 10:00 am LOB 302-304
4/11/2023	H	Full Committee Work Session: 04/17/2023 01:00 pm LOB 302-304
4/11/2023	H	Executive Session: 04/18/2023 09:00 am LOB 302-304
4/25/2023	H	Committee Report: Inexpedient to Legislate SB68 04/18/2023 (Vote 19-1; CC)
5/8/2023	H	Inexpedient to Legislate: MA VV 05/04/2023 HJ 13 P. 17

NH House

NH Senate

Docket of SB68		
01/12/2023	S	Introduced 01/05/2023 and Referred to Energy and Natural Resources; SJ 4
01/19/2023	S	Hearing: 01/24/2023, Room 103, SH, 09:00 am; SC 7
01/25/2023	S	Committee Report: Ought to Pass, 01/26/2023; SC 7A
01/26/2023	S	Ought to Pass: MA, VV; OT3rdg; 01/26/2023; SJ 5
03/20/2023	H	Introduced (in recess of) 03/16/2023 and referred to Science, Technology and Energy
03/28/2023	H	Public Hearing: 04/03/2023 10:00 am LOB 302-304
04/11/2023	H	Full Committee Work Session: 04/17/2023 01:00 pm LOB 302-304
04/11/2023	H	Executive Session: 04/18/2023 09:00 am LOB 302-304
04/25/2023	H	Committee Report: Inexpedient to Legislate SB68 04/18/2023 (Vote 19-1; CC)
05/08/2023	H	Inexpedient to Legislate: MA VV 05/04/2023 HJ 13 P. 17

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: SB 68-FN

Senate Committee: ENR

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 ___ as amended by the house

___ final version

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


Committee Aide

8/2/23
Date

Senate Clerk's Office _____