

Senate Energy and Natural Resources Committee

Griffin Roberge 271-2878

SB 51, establishing a committee to review a timeline for the duration of subsidies for energy projects provided by the renewable portfolio standard.

Hearing Date: January 31, 2017

Time Opened: 9:15 a.m.

Time Closed: 9:34 a.m.

Members of the Committee Present: Senators Avar, Bradley, Innis and Feltes

Members of the Committee Absent: Senator Fuller Clark

Bill Analysis: This bill establishes a committee to study the duration of subsidies for energy projects provided by the renewable portfolio standard.

Sponsors:

Sen. Avar
Rep. Lewicke
Rep. O'Day

Sen. Birdsell
Rep. Carr
Rep. Seidel

Sen. Giuda
Rep. Barry

Who supports the bill: Senator Regina Birdsell (District 19), Senator Kevin Avar (District 12), Rep. Richard Barry (Hillsborough - District 21), Senator Bob Giuda (District 2).

Who opposes the bill: No one.

Who is neutral on the bill: Michael Fitzgerald (NH DES), Karen Cramton (NH PUC).

Summary of testimony presented in support:

Senator Kevin Avar

Senate District 12

- As prime sponsor, Senator Avar introduced the bill because of rumors that there is a cost to the RPS and that some want to get rid of it. Avar does not believe that is the correct approach. Senator Avar mentioned his hope to chair the study committee to examine RPS and its value to the state.
- Senator Feltes asked a question concerning lines 10 to 13, which detail the duties of the study committee. Senator Feltes asked what the study committee will do to ensure energy producers are able to provide energy with subsidies? Senator Avar said there is a lot of discussion in the House about getting rid of the RPS. As chair of the Senate Energy Committee, Senator Avar stated his

desire to be fully knowledgeable about the matter and equipped to discuss it. The bill is broad in scope in order to fully encompass all of RPS.

- Senator Innis asked if SB 51 is really just a study of the economics of the RPS. Senator Avard said the bill is intentionally vague to delve into all aspects of RPS. Senator Innis asked if the report would come back to the Senate Energy Committee. Senator Avard said it would.
- Senator Bradley asked if Senator Avard would have a problem with slight changes to SB 51:
 - Senator Bradley said that on line 5, it should be two members of the Senate who sit on the committee, not three. It can be difficult to get senators to serve on committee.
 - Senator Bradley also stated that PUC has a major docket on net metering. Senator Bradley asked to expand the duties of the study commission to include a monitoring of the PUC dockets.
 - Line 12 states the study committee shall determine whether “subsidies should be reduced, lowered, or phased out.” Senator Bradley wanted to include the word “maintained.”
 - Senator Avard said he was fine with all three amendment recommendations.

Summary of testimony presented in opposition: NONE.

Neutral Information Presented:

Mike Fitzgerald

Assistant Director, Air Resources Division, NHDES

- Provided written testimony.
- NH DES took no position on the legislation. Should SB 51 pass, the NH DES would work with the legislators to study the issue.
- When RPS was made, it was a broad stakeholder process over a two year process. RPS could not remain static and would need to be altered as time progressed. RPS’s construct required three reviews in 2011, 2018, and 2025. Those are conducted by the PUC. Thus, SB 51 would duplicate a process already required by statute.
- Going into the history of RPS, Mr. Fitzgerald stated that it requires each electricity supplier to generate or purchase specified quantities of low or non-emitting renewable energy. The Renewable Energy Certificate (REC) represents the renewable attribute of the power. 1 REC = 1 MWhr. Each supplier must obtain RECs for set percentages of their electric load.
- While SB 51 refers to subsidies, RECs reflect the additional environmental, social, and economic value that renewable energy provides, but is not currently recognized in the wholesale electricity marketplace.
- Renewable energy can be beneficial to the state. It provides energy diversity for the state, lowers energy costs, keeps energy and investment dollars in the state, and lowers carbon emissions.
- Senator Feltes said the sponsors wanted to have a greater understanding of the

RPS. As an alternative, he asked if it be possible for the NH DES to make presentations on the program. Mr. Fitzgerald said it is possible as they do it for the House. The PUC also conducts an annual report that is available on their website.

- Senator Feltes asked if it was possible the analysis could be passed along to the members of the committee. Mr. Fitzgerald said yes.

Karen Cramton

Director, Sustainable Energy Division, PUC

- PUC took no position on SB 51. Should the study commission proceed, the PUC is there ready to help and to examine areas that the PUC could look at more deeply.
- Ms. Cramton mentioned that there is an annual review of the RPS that focuses on programs, predictions in the energy market, and legislative actions within the past year.
- The PUC also took on a fellowship from UNH during the summer of 2016 that produced a report of the RPS. It examines the program in its entirety from 2007 to 2015. That report will be complete by week's end and be available to the committee.
- Senator Innis asked who the faculty fellow was from UNH. Ms. Cramton could not remember, but recalled the person was from the UNH Sustainability Institute. The PUC worked with a graduate student over the summer to do research and draft the report. That person was under Ms. Cramton's management.
- Senator Avarad mentioned that net metering is a topic that the study commission would like to look into, and if the PUC would have a problem with that. Ms. Cramton said that net metering is an open docket. She would like to have an expert available for any questions and keep the commission updated.

Future Action: Ought to Pass with Amendment

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Date Hearing Report completed: January 31, 2017