Senate Energy and Natural Resources Committee

Griffin Roberge 271-3042

HB 309, relative to the computation of renewable energy credits.

Hearing Date: April 12, 2021.

Time Opened: 1:02 p.m. **Time Closed**: 1:08 p.m.

Members of the Committee Present: Senators Avard, Gray, Watters and Perkins Kwoka.

Members of the Committee Absent: Senator Giuda.

Bill Analysis: This bill revises the methodology for the public utilities commission to estimate renewable energy credits for certain sources that are net metered.

Sponsors:
Rep. Harrington

Who supports the bill: David Bates; Susan Bruce; Elizabeth Fenner-Lukaitis; Nisa Marks; Madeleine Mineau, Clean Energy NH; Russell Moore; Eric Pauer; Rick Russman; Lisa Sweet; Representative Michael Vose, Rockingham - District 9.

Who opposes the bill: None.

Who is neutral on the bill: None.

Summary of testimony presented in support:

Representative Michael Vose
Rockingham - District 7

- Introduced HB 309 on behalf of the bill's prime sponsor, Representative Michael Harrington.
- HB 309 was requested by the Office of Strategic Initiatives (OSI).
- RSA 362-F:6, II-a allows electricity suppliers to count unregistered Renewable Energy Credits (RECs) from solar facilities that are not REC certified against their Class II Renewable Portfolio Standard (RPS) compliance obligation. This statutory credit assigns a 20% capacity factor to these solar facilities.
- HB 309 changes the capacity factor used under RSA 362-F:6, II-a from a 20% capacity factor to one that uses the capacity factor rating equal to the annual PV Energy Forecast issued by the Distributed Generation Working Group under ISO-NE.
- The capacity factor used by ISO-NE is roughly 13.5% and is more accurate based on actual field measurements.
- HB 309 was recommended "ought to pass" by the House Science, Technology, and Energy Committee by a vote of 21-0 and was placed on the House consent calendar. The committee's recommendation passed by a voice vote on the House consent calendar.
- Senator Watters clarified that HB 309 brings state statute in line with what ISO-NE is using.
    - Representative Vose said Senator Watters was correct.

Madeleine Mineau - provided written testimony
Executive Director, Clean Energy NH

- RSA 362-F:6, II-a allows electricity suppliers to count unregistered RECs against their Class II RPS compliance obligations. As a result, in recent years suppliers have been able to meet their entire compliance obligation for Class II solar with these "free" RECs (known as "REC sweeping"). In 2019, the REC sweeping credit was 0.4794%, making up 80% of the total 0.6% Class II goal.
- RECs are a commodity that belongs to the renewable energy system owner and REC sweeping is a taking of that property without the owner's knowledge, permission, or compensation. To make matters worse, the REC sweeping credit is artificially inflated due to the use of an unrealistically high capacity factor used to calculate assumed solar production.
- The Public Utilities Commission (PUC)'s 2018 RPS review recognized REC sweeping as a problem and recommended a significant reduction in the capacity factor for unregistered RECs. HB 309 would implement this correction recommended by the PUC. As a result, the overall REC sweeping credit would be reduced by roughly a third and would increase the demand for Class II RECs.
- Governor Sununu vetoed SB 72 (2019), which would have repealed RSA 362-F:6, II-a entirely. Governor Sununu made clear in his veto message that the NH General Court should focus on fixing the credit mechanism. HB 309 represents that fix.
- RECs can be used to reliably obtain financing for renewable energy projects. Lowering the overall financing costs of projects for businesses and residents. This brings more renewable energy projects online that can help lower the cost of electricity for all ratepayers by increasing distributed generation, fuel diversity, reduced peak demand, and transmission needs.

Summary of testimony presented in opposition: None.

Neutral Information Presented: None.

GJR
Date Hearing Report completed: April 12, 2021.