

CHAPTER 226
SB 129 - FINAL VERSION

03/16/2017 0770s
03/16/2017 0853s
1Jun2017... 1818h
06/08/2017 2374EBA

2017 SESSION

17-0956
06/05

SENATE BILL **129**

AN ACT requiring a portion of the renewable energy fund to benefit low to moderate income residential customers, relative to electric renewable energy classes, relative to the class rate for biomass, and relative to requirements for incentive payments from the renewable energy fund.

SPONSORS: Sen. Bradley, Dist 3; Sen. Feltes, Dist 15; Sen. Innis, Dist 24; Sen. Avard, Dist 12; Sen. French, Dist 7; Sen. Fuller Clark, Dist 21; Sen. Giuda, Dist 2; Sen. Reagan, Dist 17; Sen. Ward, Dist 8; Rep. Richardson, Coos 4; Rep. Chandler, Carr. 1; Rep. McConkey, Carr. 3; Rep. Shepardson, Ches. 10; Rep. Backus, Hills. 19

COMMITTEE: Energy and Natural Resources

AMENDED ANALYSIS

This bill:

I. Requires a portion of the funds in the renewable energy fund to benefit low-moderate income residential customers.

II. Makes changes to renewable energy classes.

III. Raises the class rate for biomass.

IV. Eliminates the generation capacity requirement for incentive payments from the renewable energy fund.

V. Provides a period of exemption from increases in annual purchase percentages under the minimum electric renewable portfolio standard for certain electrical supply contracts.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Seventeen

AN ACT requiring a portion of the renewable energy fund to benefit low to moderate income residential customers, relative to electric renewable energy classes, relative to the class rate for biomass, and relative to requirements for incentive payments from the renewable energy fund.

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

1 226:1 Purpose. The general court finds it is in the public interest to promote customer choice
2 and energy independence by eliminating market barriers to solar energy that low-to-moderate
3 income residential customers face, by sustaining and promoting local renewable energy resources
4 and New Hampshire jobs in the solar and wood products industries, by promoting the stabilization
5 and lowering of future energy costs with more clean energy supply and greater energy
6 diversification, and by further reducing energy costs by reducing New Hampshire's peak demand,
7 including our share of regional electric transmission costs, which recently went up due to our
8 increased share of the regional peak demand.

9 226:2 Title. The title of this act is the New Hampshire Clean Energy Jobs and Opportunity Act
10 of 2017.

11 226:3 Electric Renewable Portfolio Standard; Renewable Energy Fund. Amend RSA 362-F:10,
12 X to read as follows:

13 X. Consistent with RSA 362-F:10, VI, the commission shall, over each 2-year period
14 commencing July 1, 2010, reasonably balance overall amounts expended, allocated, or obligated
15 from the fund, net of administrative expenditures, between residential and nonresidential sectors.
16 Funds from the renewable energy fund awarded to renewable projects in the residential sector shall
17 be in approximate proportion to the amount of electricity sold at retail to that sector in
18 New Hampshire, and the remaining funds from the renewable energy fund shall be awarded to
19 projects in the nonresidential sector which include commercial and industrial sited renewable
20 energy projects, existing generators, and developers of new commercial-scale renewable generation
21 in New Hampshire, ***provided no less than 15 percent of the funds shall annually benefit low-***
22 ***moderate income residential customers, including, but not limited to, the financing or***
23 ***leveraging of financing for low-moderate income community solar projects in***
24 ***manufactured housing communities or in multi-family rental housing.***

25 226:4 New Paragraph; Electric Renewable Portfolio Standard; Definitions; Low-Moderate

CHAPTER 226
SB 129 - FINAL VERSION
- Page 2 -

1 Income Community Solar Project. Amend RSA 362-F:2 by inserting after paragraph X the following
2 new paragraph:

3 X-a. "Low-moderate income community solar project" means ground-mounted or rooftop
4 solar arrays that directly benefit a group of at least 5 residential end-user customers, where at least
5 a majority of the residential end-user customers are at or below 300 percent of the federal poverty
6 guidelines.

7 226:5 Electric Renewable Portfolio Standard;Electric Renewable Energy Classes. Amend RSA
8 362-F:4, III to read as follows:

9 III. Class III (Existing Biomass/Methane) shall include the production of electricity from
10 any of the following, provided the source began operation prior to January 1, 2006 **and except as**
11 **provided in subparagraph (b)**:

12 (a) Eligible biomass technologies having a gross nameplate capacity of 25 MWs or less.

13 (b) Methane gas. **Effective for electricity production commencing January 1,**
14 **2017, methane gas shall not qualify for class III if the production is from a source or**
15 **sources which began operation prior to January 1, 2006 and which source exceeds, or**
16 **sources exceed, a total gross nameplate capacity of 10 MWs in the aggregate located at any**
17 **single landfill site. All phases, stages, cells, lifts, expansions, and other landfill areas**
18 **shall be combined in determining the single landfill site gross nameplate capacity. Only**
19 **class III and potential class III eligible sources at any single landfill site shall be included**
20 **in determining whether the 10 MW aggregate limitation has been exceeded.**

21 226:6 Electric Renewable Portfolio Standard; Minimum Electric Renewable Portfolio Standards.
22 Amend RSA 362-F:3 to read as follows:

23 362-F:3 Minimum Electric Renewable Portfolio Standards. For each year specified in the table
24 below, each provider of electricity shall obtain and retire certificates sufficient in number and class
25 type to meet or exceed the following percentages of total megawatt-hours of electricity supplied by
26 the provider to its end-use customers that year, except to the extent that the provider makes
27 payments to the renewable energy fund under RSA 362-F:10, II:

	2008	2009	2010	2011	2012	2013	2014	2015	2025 and thereafter
28 Class I	0.0%	0.5%	1%	2%	3%	3.8%	5%	6%	15% (*)
29 Class II	0.0%	0.0%	0.04%	0.08%	0.15%	0.2%	0.3%	0.3%	[0.3%] 0.7%
30 Class III	3.5%	4.5%	5.5%	6.5%	1.4%	1.5%	3.0%	8.0%	8.0%
31 Class IV	0.5%	1%	1%	1%	1%	1.3%	1.4%	1.5%	1.5%

32
33 *Class I increases an additional 0.9 percent per year from 2015 through 2025. A set percentage
34 of the class I totals shall be satisfied annually by the acquisition of renewable energy certificates
35 from qualifying renewable energy technologies producing useful thermal energy as defined in
36 RSA 362-F:2, XV-a. The set percentage shall be 0.4 percent in 2014, 0.6 percent in 2015, ~~[1.3]~~ **0.8**
37 percent in 2016, and increased annually by ~~[0.1]~~ **0.2** percent per year from 2017 through 2023, after

CHAPTER 226
SB 129 - FINAL VERSION
- Page 3 -

1 which it shall remain unchanged. ***Class II shall increase to 0.5 percent beginning in 2018, 0.6***
2 ***percent beginning in 2019, and 0.7 percent beginning in 2020, otherwise*** classes II-IV ***shall***
3 remain at the same percentages from 2015 through 2025 except as provided in RSA 362-F:4, V-VI.

4 226:7 Limited Electrical Energy Producers Act; Net Energy Metering. Amend RSA 362-A:9,
5 XIV(c) to read as follows:

6 (c) Notwithstanding paragraph V, a group host shall be paid for its surplus generation
7 at the end of each billing cycle at rates consistent with the credit the group host receives relative to
8 its own net metering under either subparagraph IV(a) or (b) or alternative tariffs that may be
9 applicable pursuant to paragraph XVI. ***Each group member of a group host for a low-***
10 ***moderate income community solar project, as defined in RSA 362-F:2, X-a, may receive***
11 ***credits on the customer electric bill for each member and the host, provided that there***
12 ***shall be only one new project under this paragraph in each utility's service territory by***
13 ***December 31, 2019 with such projects available on a first-come, first-served basis. The***
14 ***commission shall report on the costs and benefits of such projects on or before December***
15 ***31, 2019.*** On an annual basis, the electric distribution utility shall calculate a payment adjustment
16 if the host's surplus generation for which it was paid is greater than the group's total electricity
17 usage during the same time period. The adjustment shall be such that the resulting compensation
18 to the host for the amount that exceeded the group's total usage shall be at the utility's avoided cost
19 or its default service rate in accordance with subparagraph V(b) or paragraph VI or alternative
20 tariffs that may be applicable pursuant to paragraph XVI. The utility shall pay or bill the host
21 accordingly.

22 226:8 New Paragraph; Limited Electrical Producers Act; Net Metering. Amend RSA 362-A:9 by
23 inserting after paragraph XVIII the following new paragraph:

24 XIX. No person, owner, developer, or installer of an eligible customer-generator facility,
25 business organization, or any subsidiary thereof, shall use any unfair method of competition or any
26 unfair or deceptive act or practice in any way for projects involving net metering.

27 226:9 Renewable Energy Fund; Rates. Amend RSA 362-F:10, III to read as follows:

28 III.(a) Beginning in 2013, the commission shall adjust these rates by January 31 of each
29 year using the Consumer Price Index as published by the Bureau of Labor Statistics of the United
30 States Department of Labor for classes III and IV and 1/2 of such Index for classes I and II.

31 (b) In lieu of the adjustments under subparagraph (a) for class III in 2015[;] ***and*** 2016
32 ~~[and 2017]~~, the class rate in each of those years shall be \$45. ***In lieu of the adjustments under***
33 ***subparagraph (a) for class III in 2017, 2018, and 2019, the class rate in each of those years***
34 ***shall be \$55.***

35 (c) By January 31, [2018] **2020** the commission shall compute the [2018] **2020** class III
36 rate to equal the rate that would have resulted in [2018] **2020** by the application of subparagraph
37 (a) to the 2013 rate and each subsequent year's rate to [2018] **2020**.

CHAPTER 226
SB 129 - FINAL VERSION
- Page 4 -

1 (d) In ~~[2019]~~ **2021** and thereafter, the class III rate shall be determined by application
2 of subparagraph (a) to the prior year's rate.

3 226:10 Renewable Energy Fund; Incentive Payments. Amend RSA 362-F:10, V to read as
4 follows:

5 V. The public utilities commission shall make and administer a one-time incentive payment
6 of \$3 per watt of nominal generation capacity up to a maximum payment of \$6,000, or 50 percent of
7 system costs, whichever is less, per facility to any residential owner of a small renewable generation
8 facility, that would qualify as a Class I or Class II source of electricity, ~~[has a total peak generation~~
9 ~~capacity of 10 kilowatts or fewer,]~~ begins operation on or after July 1, 2008, and is located on or at
10 the owner's residence.

11 226:11 New Section; Electric Renewable Portfolio Standard; Exemption Period for Certain
12 Electrical Supply Contracts. Amend RSA 362-F by inserting after section 14 the following new
13 section:

14 362-F:15 Exemption Period for Certain Electrical Supply Contracts.

15 I. The increases in the annual purchase percentages in RSA 362-F:3 applicable to class II
16 for 2018 and thereafter as compared to the class II annual purchase percentages in effect as of
17 January 1, 2017, shall not apply to the megawatt-hours delivered during the contract term under
18 any electrical power supply contract entered into before the effective date of this section, provided
19 that the contract term in effect before such effective date has not been extended or otherwise
20 increased after that date.

21 II. The change in the class III methane gas eligibility requirements in RSA 362-F:4, III(b)
22 as compared to the class III methane gas eligibility requirements in effect as of January 1, 2017
23 shall not apply to class III methane gas certificates:

24 (a) Acquired pursuant to a contract entered into before the effective date of this section
25 for the contract term, provided that the contract term in effect before such effective date has not
26 been extended or otherwise increased after that date; or

27 (b) That are 2017 calendar year certificates issued before the first day of the first month
28 of the calendar quarter following such effective date.

29 III. Providers shall inform the commission by July 1 of each year, through July 1, 2020, of
30 all such exempted contracts, including but not limited to, the execution date and expiration date of
31 the contract, the basis for exemption under this section, and if applicable, the annual megawatt-
32 hours supplied and exempted, or the annual amount of exempted methane gas certificates and the
33 basis for exemption. All such information filed with the commission shall be exempt from the
34 provisions of RSA 91-A:5, IV.

35 226:12 Effective Date. This act shall take effect upon its passage.

Approved: Enacted in accordance with Article 44, Part II, of N.H. Constitution, without signature of
the governor, July 11, 2017
Effective Date: July 11, 2017

CHAPTER 226
SB 129 - FINAL VERSION