

HB 119-FN - AS INTRODUCED

2021 SESSION

21-0035

10/06

HOUSE BILL                    ***119-FN***

AN ACT                    relative to legislative approval of the New Hampshire general court for increases in the systems benefit charge.

SPONSORS:                Rep. Mann, Ches. 2; Rep. McWilliams, Merr. 27

COMMITTEE:              Science, Technology and Energy

---

ANALYSIS

This bill removes the requirement for legislative approval of changes to the system benefits charge to electric consumers.

-----

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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT                      relative to legislative approval of the New Hampshire general court for increases in the systems benefit charge.

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

1            1 Finding; Intent.

2            I. The requirement for legislative approval of the New Hampshire general court contained in  
3 RSA 374-F:3, VI for increases in the systems benefits charge was exclusively based on a mistaken  
4 reading of the New Hampshire Constitution, without regard to the last 6 words of Part I, Article 28.

5            II. Part I, Article 28 of the New Hampshire Constitution reads as follows:  
6 "No subsidy, charge, tax, impost, or duty, shall be established, fixed, laid, or levied, under any  
7 pretext whatsoever, without the consent of the people, or their Representatives in the Legislature, or  
8 authority derived from that body."

9            III. The public utilities commission is empowered and charged by law to oversee the setting  
10 of rates, and a systems benefits charge to be included in the rates is specifically authorized in  
11 statute, and is therefore authority derived from the legislature pursuant to Part I, Article 28.

12           IV. The effect of requiring legislative approval for increases in the systems benefits charge is  
13 to hinder or delay the effective and timely implementation of the Energy Efficiency Resource  
14 Standard framework established by the public utilities commission, which is a strategic program  
15 essential to the well-being of current and future New Hampshire residents. The general court  
16 hereby intends to remove such hindrance or delay.

17           2 Electric Utility Restructuring Policy Principles; System Benefits Charge. Amend RSA 374-  
18 F:3, VI to read as follows:

19           VI. Benefits for All Consumers. Restructuring of the electric utility industry should be  
20 implemented in a manner that benefits all consumers equitably and does not benefit one customer  
21 class to the detriment of another. Costs should not be shifted unfairly among customers. A  
22 nonbypassable and competitively neutral system benefits charge applied to the use of the  
23 distribution system may be used to fund public benefits related to the provision of electricity. Such  
24 benefits, as approved by regulators, may include, but not necessarily be limited to, programs for low-  
25 income customers, energy efficiency programs, funding for the electric utility industry's share of  
26 commission expenses pursuant to RSA 363-A, support for research and development, and  
27 investments in commercialization strategies for new and beneficial technologies. ~~Legislative~~  
28 ~~approval of the New Hampshire general court shall be required to increase the system benefits~~  
29 ~~charge. This requirement of prior approval of the New Hampshire general court shall not apply to~~  
30 ~~the energy efficiency portion of the system benefits charge if the increase is authorized by an order of~~

**HB 119-FN - AS INTRODUCED**

**- Page 2 -**

1 ~~the commission to implement the 3-year planning periods of the Energy Efficiency Resource~~  
2 ~~Standard framework established by commission Order No. 25,932 dated August 2, 2016, ending in~~  
3 ~~2020 and 2023, or, if for purposes other than implementing the Energy Efficiency Resource~~  
4 ~~Standard, is authorized by the fiscal committee of the general court; provided, however, that]~~ No less  
5 than 20 percent of the portion of the funds collected for energy efficiency shall be expended on low-  
6 income energy efficiency programs. Energy efficiency programs should include the development of  
7 relationships with third-party lending institutions to provide opportunities for low-cost financing of  
8 energy efficiency measures to leverage available funds to the maximum extent, and shall also  
9 include funding for workforce development to minimize waiting periods for low-income energy audits  
10 and weatherization.

11       3 Effective Date. This act shall take effect 60 days after its passage.

**HB 119-FN- FISCAL NOTE**  
**AS INTRODUCED**

AN ACT relative to legislative approval of the New Hampshire general court for increases in the systems benefit charge.

**FISCAL IMPACT:**    ☒ State                    ☒ County                    ☒ Local                    ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2021	FY 2022	FY 2023	FY 2024
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Various Governmental Funds			

**COUNTY:**

<b>Revenue</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable

**LOCAL:**

<b>Revenue</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable

**METHODOLOGY:**

The Public Utilities Commission (PUC) indicates this bill would eliminate the requirement of prior approval of increases to the System Benefits Charge (SBC) following implementation of the Energy Efficiency Resource Standard in the years 2021, 2022, and 2023, and legislative fiscal committee approval of increases to the SBC for energy efficiency measures unrelated to the implementation of the Energy Efficiency Resource Standard. The PUC states it is not possible to predetermine whether and to what extent the SBC might be increased by the Commission in 2024 or beyond. As a consequence, it is not possible to determine the effect on electric bills paid by the state, county, and local governments. Likewise, it is not possible to determine whether state, county, or local governments would be eligible to receive more or less funding for energy efficiency measures as a result of this bill. Consequently, the effect of the bill on the revenues and expenditures on state, county, and local governments is indeterminate.

It is assumed that any fiscal impact would occur after July 1, 2021.

**AGENCIES CONTACTED:**

Public Utilities Commission