



2017 New Hampshire Legislative Session Review

Presented by Eversource

2018 Legislative Session Overview

The first term where the corner office has been controlled by a Republican in twelve years has come to a close. Governor Sununu is seeking a second two-year term, which he is likely to be granted. His approval ratings are staggeringly high currently, and have only been on the increase since he took office. The business community, however, has been waiting for the Governor to show leadership and do whatever he can to lower electricity rates. He did not disappoint.

In March, Sununu released his much-anticipated Energy Strategy. State law requires the Strategy to be updated every 3 years. In stark contrast to previous strategies, Sununu's goals focus on market based energy solutions, rather than policy-driven subsidies to prop up renewable energy or other technologies. Further, he touts the need for additional energy infrastructure, such as gas pipelines and transmission lines. In the wake of its release, the Governor vetoed two bills that would have increased existing subsidies to a group of in-state biomass plants and to net energy metering customers, and thereby ensuring the credibility of his energy mission. The session to take up vetoes will be held in September, but has not yet been scheduled.

A bill to require annual intensive training the state's site evaluation committee membership and provides more flexibility in appointing new public members to the panel passed overwhelmingly by the legislature and signed by the Governor. This committee is responsible for permitting larger energy infrastructure and has been very controversial. Clearly both parties agreed that a logical, certain process is good for business in New Hampshire.

The legislative priority for 2018 overall was reauthorizing Medicaid expansion. For some Republicans who voted to reauthorize this program, they can expect to be targeted during the primary as being a RINO, Republican in Name Only. Enough members from both parties came together and agreed to all the details and even achieved agreement with the Governor who signed the bill as soon as it arrived on his desk.

An attempt to create a Family Medical Leave program in the state died after many transformations. The business community rallied to oppose the bill which was shown to become insolvent within the first year if the bill passed. The Democrats strongly support some form of Medical Leave program and are willing to bring it back every year until they get it right and garner the needed support.

Renewable Energy

Once again, the Republican-dominated legislature tried and failed to roll back Renewable Portfolio Standard (RPS) requirements, net metering and the Regional Greenhouse Gas Initiative. The recipients of the revenue stream created by these policies are statewide and very vocal. They did find success in tying the hands of the utility regulator, the Public Utilities Commission, by requiring legislative approval in advance of increasing rates to provide more robust energy efficiency programs

The big news concerning renewable energy came after weeks of speculation. Governor Chris Sununu vetoed two out of three major renewable energy bills, saying they would have cost ratepayers more than \$100 million over the next three years. The most sweeping of the two vetoed bills, **SB 446**, would have increased from one megawatt to five megawatts the size of projects that qualify for net metering. The other, **SB 365**, would have required Eversource to give a 20% discount off retail rates to woodburning plants across the state over the next three years.

The bill that survived the veto and in fact was signed with much fanfare in New Hampshire's north country was **SB 577**. This bill seeks to extend for an additional three years an above market power purchase agreement with a large biomass plant in Berlin. The state's utility regulator, the Public Utilities Commission, must determine how to proceed after passage of the legislation.

Late Breaking....

The recent Supreme Court ruling allowing states with a sales tax to collect sales taxes from online retailers in other states, including those without a sales tax, like New Hampshire, has caused legislative leaders to swiftly respond.

The Governor has announced plans to call the already adjourned legislature back for a special session within weeks to pass legislation to achieve several goals. The Attorney General is authoring the language at present, but it is expected to require:

- any state or other taxing authority seeking to collect sales taxes from a NH business to notify the NH Department of Justice in writing
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- The out-of-state taxing authority will be required to receive a written determination from the NH Department of Justice that the authority's statutes provide certain protections to NH retailers
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- The NH Department of Justice will be empowered to file a lawsuit to block any attempt to collect sales taxes in violation of the anticipated new law.

BILLS THAT PASSED

Siting

SB 366

Increases the pool of public members on the Site Evaluation Committee from 3 to 5, and requires annual intensive training of all members in advance of reviewing any application. Training to be performed by the Attorney General's office.

Energy Efficiency/Renewable Energy:

HB 317

Prohibits the Public Utilities Commission (PUC) from increasing the system benefits charge that funds energy efficiency without legislative approval. The bill does not become effective until after the first three-year cycle of the Energy Efficiency Resource Standard.

HB 1550

Requires utilities to include the costs to comply with the Renewable Portfolio Standard to be listed annually on the December bill of residential customers.

SB 321

Allows customers not on the utility's default energy service to become a group net meter host.

SB 365

Requires Eversource and Unitil to have a 3 year PPA with six woodburning plants and one trash to energy plant at 80% of the default energy service rate. The above market impacts would be collected through the stranded cost recovery charge.

SB 367

Removes the requirement on utilities to report annually to the PUC on small group net metering hosts.

SB 577

Allows the PUC to extend the existing PPA between Eversource NH and the Burgess Biomass plant in Berlin, NH for an additional 3 years beyond reaching the \$100mil cap of above market costs which had been imposed by the PUC when the contract was originally approved.

Electric Vehicles and Infrastructure

SB 517

Establishes electric vehicle charging stations infrastructure commission with goals to:

- Review the status of technology and infrastructure elsewhere
- Consider potential tax credits for installation
- Research the availability of private, state and federal funding sources

SB 575

Requires the PUC to establish a rate structure for future EV charging stations.

Regulatory

HB 1555

Requires the PUC and Consumer Advocate to advocate against regional or federal policies that are inconsistent with state policies, or have rate impacts that are deemed to be unjust or unreasonable.

Taxes

HB 324

Creates a commission to study utility property valuation in NH, consider defects in the current valuation system and analyze what valuation approaches could be more fair and consistent.

BILLS THAT FAILED TO PASS

HB 114

If passed, this bill would have reduced the requirement of utilities to comply with Class I of the Renewable Portfolio Standard.

HB 141

This bill would have allowed the PUC to reduce the utilities' requirement to meet Class I and Class II of the Renewable Portfolio Standard to meet the supply of renewable certificates.

HB 401

The language would have required the PUC to implement time varying rate design for all utilities.

HB 559

The current cap on dollars from the Regional Greenhouse Gas Initiative that goes to energy efficiency programs (the dollars above the cap go to rebate customers' bills) would have been removed and all dollars would go to the PUC to issue an RFP to all interested parties for additional energy efficiency. The utilities would have had to participate in the RFP in hopes of augmenting the existing programs.

HB 592

The bill would have required New Hampshire to withdraw from the Regional Greenhouse Gas Initiative.

HB 1230

If passed, the bill would create a committee to study the economic impact of a national carbon pricing initiative on New Hampshire.

HB 1338

The bill would create a committee to determine any needed changes in law to allow for microgrids in the supply of electricity.

HB 1358

If passed it would require the Site Evaluation Committee to complete all application reviews for energy facilities within 365 days or the application would automatically be approved.

HB 1381

The language would have determined a standard assessment method for utility property taxation.

HB 1481

This bill would have given standing before the PUC on any matter for all members of the NH Legislature.

HB 1541

If passed, the bill would have increased the cost for registration of and toll fees for hybrid and electric vehicles.

HB 1544

Would have created a committee to analyze reaching 100 percent renewable energy in NH by 2040.

HB 1563

The bill would have required local communities reduce the property tax liability of all residential and businesses buildings.

HB 1569

The failure of this bill ensures that new energy facilities will not be required to provide additional bonding of funds to pay for any future environmental restoration in advance of receiving a certificate from the Site Evaluation Committee.

HB 1592

The language would have increased the water quality standards for in-state water companies.

HB 1611

A committee would have been established to study off-shore wind energy opportunities.

HB 1644

This bill would have made it illegal for electric utilities to purchase water utilities.

HB 1647

The bill would have required the PUC to investigate obstacles to storage and increasing the use of distributed energy as alternatives to new transmission projects.

HB 1679

The language would have required the sales of certain public utilities, such as water, to pay increased real estate transfer taxes to the state.

HB 1759

If passed, this bill would have made it more difficult for businesses to use drones in the regular course of their work.

HB 1776

The bill would have required the installation of EV charging stations solely for the use of members of the NH Legislature.

HB 1797

The language would have added an additional 50% surcharge on all amounts assessed to those liable for the costs to clean up or remediate water or air pollution.

SB 447

The bill would have deleted the opportunity for utilities to estimate the aggregate value of rooftop solar within the state NOT RECEIVING RECs for the generation and reduce the need to purchase additional RECs to meet the RPS requirements.

HB 448

The bill would have established a committee to study the establishment of a state department of energy.

SB 449

The language would have changed the makeup of the site evaluation committee by making all members be public members.

SB 452

If passed, the language would have provided all solar incentives to the entity owning the property where a solar array exists, rather than the developer providing the lease.

SB 530

This bill would have allowed a local community to approve or disapprove of a transmission line in a highway corridor.

Water Bills

There was a myriad of pieces of legislation targeting Aquarion water by creating difficult contamination limits, not imposed in any other state or by the EPA, to negatively affect the recent acquisition of the water company by Eversource. Not a single bill passed.