

HB 224-FN - AS AMENDED BY THE HOUSE

6Mar2025... 0288h

2025 SESSION

25-0213

06/05

HOUSE BILL

224-FN

AN ACT

relative to rebates to ratepayers from the renewable energy fund.

SPONSORS:

Rep. Notter, Hills. 12; Rep. Berry, Hills. 44; Rep. Osborne, Rock. 2; Rep. D. Thomas, Rock. 16; Sen. Murphy, Dist 16

COMMITTEE:

Science, Technology and Energy

ANALYSIS

This bill requires moneys paid into the renewable energy fund to be rebated to ratepayers.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to rebates to ratepayers from the renewable energy fund.

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

1 1 Electric Renewable Portfolio Standard; Renewable Energy Fund. Amend RSA 362-F:10, I to
2 read as follows:

3 I. There is hereby established a renewable energy fund. This nonlapsing special fund shall
4 be continually appropriated to the department of energy to be expended in accordance with this
5 section; provided that at the start of the period in which there is no adopted state operating budget,
6 the department of energy shall in a timely manner seek the approval of the fiscal committee of the
7 general court to continue using moneys from the renewable energy fund to support renewable energy
8 rebate and grant programs in order to ensure there are no interruptions to the programs. The state
9 treasurer shall invest the moneys deposited therein as provided by law. Income received on
10 investments made by the state treasurer shall also be credited to the fund. All payments to be made
11 under this section shall be deposited in the fund. Any remaining moneys paid into the fund under
12 paragraph II of this section[~~excluding class II moneys, shall be used by the department of energy to~~
13 ~~support thermal and electrical renewable energy initiatives and offshore wind initiatives, including~~
14 ~~the office of offshore wind industry development and energy innovation. Class II moneys shall~~
15 ~~primarily be used to support solar energy technologies in New Hampshire. All initiatives supported~~
16 ~~out of these funds shall be subject to audit by the department of energy as deemed necessary] **that**
17 **are in excess of administration costs, funding for the office of offshore wind industry**
18 **development and energy innovation, and incentive payments, shall be rebated to all retail**
19 **electric ratepayers in the state on a per-kilowatt-hour basis, in a timely manner to be**
20 **determined by the commission.** All fund moneys including those from class II may be used to
21 administer this chapter, but all new employee positions shall be approved by the fiscal committee of
22 the general court. No new employees shall be hired by the department of energy due to the inclusion
23 of useful thermal energy in class I production.~~

24 2 Effective Date. This act shall take effect 60 days after its passage.

**HB 224-FN- FISCAL NOTE
AS AMENDED BY THE HOUSE (AMENDMENT #2025-0288h)**

AN ACT relative to rebates to ratepayers from the renewable energy fund.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	Indeterminable decrease of \$1.5m to \$6.3m (General Fund)	Indeterminable decrease of \$1.5m to \$6.3m (General Fund)	Indeterminable decrease of \$2.5m to \$7.3m (Renewable Energy Fund)	Indeterminable decrease of \$2.5m to \$7.3m (Renewable Energy Fund)
<i>Revenue Fund(s)</i>	General Fund and Renewable Energy Fund			
Expenditures*	Decrease of less than \$100,000 (Various Agency Funds including the General Fund)	Decrease of less than \$100,000 (Various Agency Funds including the General Fund)	Decrease of less than \$100,000 (Various Agency Funds including the General Fund)	Decrease of less than \$100,000 (Various Agency Funds including the General Fund)
			Indeterminable increase (Renewable Energy Fund)	Indeterminable increase (Renewable Energy Fund)
<i>Funding Source(s)</i>	Various Agency Funds, General Fund, and Renewable Energy Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	Decrease of less than \$100,000	Decrease of less than \$100,000	Decrease of less than \$100,000	Decrease of less than \$100,000
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	Decrease of less than \$100,000	Decrease of less than \$100,000	Decrease of less than \$100,000	Decrease of less than \$100,000

METHODOLOGY:

This bill would require the Department of Energy to rebate all funds that are in excess of administrative costs and incentive payments back to all electric ratepayers, in a manner determined by the Public Utilities Commission.

The Department of Energy indicates revenue to the Renewable Energy Fund comes from Alternative Compliance Payments (ACPs), paid by the electric distribution utilities and competitive suppliers if they do not purchase enough renewable energy certificates (REC) to meet their obligations under the renewable portfolio standard (RPS). The market for RECs is regional, so policy decisions in other New England states affect the price and availability of RECs. As such, the amount of ACPs made and deposited into the fund varies from year to year. The Department notes over the last 10 years, ACP revenue has varied between \$2.5 million and \$7.3 million.

The Department assumes any money remaining in the fund would be sent back to ratepayers at a particular point in time, after funds have been allocated for incentives and administrative costs. That point in time is not specified in the bill. Practice at the Department has been to roughly match expenditures with revenue, while retaining a reserve to smooth unanticipated decreases in ACP revenue in order to ensure smooth operation of the incentive programs.

The Department states the amount rebated to retail ratepayers will depend on a number of factors, including the amount spent by the Department each year on administrative costs and programs, and the amount of revenue the fund receives through alternative compliance payments. As ratepayers, state, county, and local units of government would also be entitled to rebates. The State is responsible for roughly 1% of all electricity purchases in NH and would receive 1% of any funds rebated back to ratepayers. For reference, if the entire amount of ACP revenue was rebated to all ratepayers in the year with the highest ACP revenue in the last ten years, the net impact to the state would be a reduction in expenses by roughly \$73,000. The Department does not have access to data for the electricity consumption of the counties or local units of government and therefore cannot estimate the impact on county and local expenditures, but the Department expects the decrease in county and local expenditures to be less than \$100,000. There would be no impact on state, county, or local revenues.

Additional Information:

Under Chapter 141:140-141, Laws of 2025, in FY 2026 and FY 2027, after administrative costs and \$1 million for incentive projects annually, all remaining funds in the Renewable Energy Fund are to be transferred to the General Fund. If this bill were to become law, depending on

the applicability date, the General Fund would experience a loss of between \$1.5 million and \$6.3 million, net of the \$1 million annual incentive amount, as these funds would instead be rebated to ratepayers. Starting in FY 2028 and forward the Renewable Energy Fund would see an indeterminable increase in expenditures if the amount sent back to ratepayers exceeds the amount typically spent on incentive projects.

AGENCIES CONTACTED:

Department of Energy