

HB 219-FN - AS AMENDED BY THE HOUSE

13Mar2025... 0678h

2025 SESSION

25-0262

06/09

HOUSE BILL

***219-FN***

AN ACT

relative to changes to the minimum electric renewable portfolio standards.

SPONSORS:

Rep. Harrington, Straf. 18; Rep. Bernardy, Rock. 36; Rep. Notter, Hills. 12; Rep. Summers, Rock. 20; Rep. Vose, Rock. 5

COMMITTEE:

Science, Technology and Energy

---

AMENDED ANALYSIS

This bill makes changes to the minimum electric renewable portfolio standards.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Five*

AN ACT relative to changes to the minimum electric renewable portfolio standards.

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

1 1 Electric Renewable Energy Classes. Amend RSA 362-F:4, I(a) to read as follows:

2 (a) Wind energy, **except that mandated by government procurements.**

3 2 Electric Renewable Energy Classes. RSA 362-F:4, I(h) is repealed and reenacted to read as  
4 follows:

5 (h) Solar energy if the solar energy produces electricity.

6 3 Minimum Electric Renewable Portfolio Standards. Amend RSA 362-F:3 to read as follows:

7 362-F:3 Minimum Electric Renewable Portfolio Standards. For each year specified in the table  
8 below, each provider of electricity shall obtain and retire certificates sufficient in number and class  
9 type to meet or exceed the following percentages of total megawatt-hours of electricity supplied by  
10 the provider to its end-use customers that year, except to the extent that the provider makes  
11 payments to the renewable energy fund under RSA 362-F:10, II:

	2008	2009	2010	2011	2012	2013	2014	2015	2025 and thereafter
12 Class I	0.0%	0.5%	1%	2%	3%	3.8%	5%	6%	15% (*)
13 <del>Class II</del>	<del>0.0%</del>	<del>0.0%</del>	<del>0.04%</del>	<del>0.08%</del>	<del>0.15%</del>	<del>0.2%</del>	<del>0.3%</del>	<del>0.3%</del>	<del>0.7%</del>
14 Class III	3.5%	4.5%	5.5%	6.5%	1.4%	1.5%	3.0%	8.0%	8.0%
15 Class IV	0.5%	1%	1%	1%	1%	1.3%	1.4%	1.5%	1.5%

16 \*Class I increases an additional 0.9 percent per year from 2015 through 2025. A set percentage of  
17 the class I totals shall be satisfied annually by the acquisition of renewable energy certificates from  
18 qualifying renewable energy technologies producing useful thermal energy as defined in RSA 362-  
19 F:2, XV-a. The set percentage shall be 0.4 percent in 2014, 0.6 percent in 2015, 0.8 percent in 2016,  
20 and increased annually by 0.2 percent per year from 2017 through 2023, **and then reduce to 1.7**  
21 **percent beginning on August 1, 2025**, after which it shall remain unchanged. ~~[Class II shall~~  
22 ~~increase to 0.5 percent beginning in 2018, 0.6 percent beginning in 2019, and 0.7 percent beginning~~  
23 ~~in 2020, otherwise]~~ Classes ~~[H-IV]~~ **III and IV** shall remain at the same percentages from 2015  
24 through 2025 except as provided in RSA 362-F:4, V-VI.  
25

26 4 Electric Renewable Energy Classes. Amend RSA 362-F:4, V to read as follows:

27 V. For good cause, and after notice and hearing, the department of energy may accelerate or  
28 delay by up to one year, any given year's incremental increase in class I ~~[or H]~~ renewable portfolio  
29 standards requirement under RSA 362-F:3.

HB 219-FN - AS AMENDED BY THE HOUSE

- Page 2 -

1           5 Electric Renewable Portfolio Standard; Definitions. Amend RSA 362-F:2, XV to read as  
2 follows:

3           XV. "Renewable energy source," "renewable source," or "source" means a class I, ~~II,~~ III, or  
4 IV source of electricity or a class I source of useful thermal energy. An electrical generating facility,  
5 while selling its electrical output at long-term rates established before January 1, 2007, by orders of  
6 the commission under RSA 362-A:4, shall not be considered a renewable source.

7           6 Renewable Energy Fund. Amend RSA 362-F:10, I to read as follows:

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

26           7 Renewable Energy Fund. RSA 362-F:10, III is repealed and reenacted to read as follows:

27           III. Beginning June 30, 2025 these rates shall be fixed at the following levels:

28           (a) Class I - \$42, except for that portion of the class electric renewable portfolio  
29 standards to be met by qualifying renewable energy technologies producing useful thermal energy  
30 under RSA 362-F:3, which shall be \$30.

31           (b) Class III - \$42.

32           (c) Class IV - \$37.

33           8 Renewable Energy Certificates. Amend RSA 362-F:6, II-a to read as follows:

34           II-a. The department of energy shall establish a methodology to estimate the total yearly  
35 production for customer-sited sources that are net metered under RSA 362-A:9 and for which class I  
36 ~~[or II]~~ certificates are not issued. For purposes of estimation, the department of energy shall use a  
37 capacity factor rating of 20 percent for each class I installation. ~~[The department of energy shall~~

HB 219-FN - AS AMENDED BY THE HOUSE

- Page 3 -

1 ~~separately estimate class II output using a capacity factor rating equal to the annual PV Energy~~  
2 ~~Forecast issued by the Distributed Generation Working Group under ISO New England, or its~~  
3 ~~successor.]~~ Providers of electricity required to obtain and retire certificates under RSA 362-F:3 shall  
4 receive an annual credit for such production according to its class. By February 28 of each year, the  
5 department of energy shall compute and make public credit percentages that are equal to the  
6 estimated production for the prior calendar year in each class divided by the total amount of  
7 electricity supplied by providers of electricity to end-use customers in the prior calendar year, with  
8 the result converted to a percentage. Each provider may then, at the time of its annual report filing  
9 under RSA 362-F:8, claim a class I ~~[and a class II]~~ certificate credit equal to the credit percentage  
10 times the total megawatt-hours of electricity supplied by the provider to its end-use customers the  
11 prior calendar year.

12 9 Repeal. The following are repealed:

13 I. RSA 362-F:4, I(h), relative to class II sources.

14 II. RSA 362-F:4, II, relative to class II renewable energy.

15 III. RSA 362-F:15, I, relative to class II increases.

16 10 Effective Date. This act shall take effect 60 days after its passage.

**HB 219-FN- FISCAL NOTE**  
AS AMENDED BY THE HOUSE (AMENDMENT #2025-0678h)

AN ACT relative to changes to the minimum electric renewable portfolio standards.

**FISCAL IMPACT:**

<b>Estimated State Impact</b>				
	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
<b>Revenue</b>	(\$1,200,000) GF (\$1,200,000) REF	(\$1,200,000) GF (\$1,200,000) REF	(\$1,200,000) REF	(\$1,200,000) REF
<i>Revenue Fund(s)</i>	General Fund (GF) and Renewable Energy Fund (REF)			
<b>Expenditures*</b>	(\$12,000) Various Agency Funds Including General Fund	(\$12,000) Various Agency Funds Including General Fund	(\$12,000) Various Agency Funds Including General Fund	(\$12,000) Various Agency Funds Including General Fund
	(\$1,200,000) REF	(\$1,200,000) REF	(\$1,200,000) REF	(\$1,200,000) REF
<i>Funding Source(s)</i>	General Fund and Various Agency Funds and Renewable Energy Fund (REF)			
<b>Appropriations*</b>	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

\*Expenditure = Cost of bill

\*Appropriation = Authorized funding to cover cost of bill

<b>Estimated Political Subdivision Impact</b>				
	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
<b>County Revenue</b>	\$0	\$0	\$0	\$0
<b>County Expenditures</b>	\$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
<b>Local Revenue</b>	\$0	\$0	\$0	\$0
<b>Local Expenditures</b>	\$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease

**METHODOLOGY:**

This bill as amended modifies the Renewable Portfolio Standard (RPS) by repealing the Class II requirement, reducing the Class I thermal requirement to 1.7% beginning August 1, 2025, adjusting Alternative Compliance Payment (ACP) rates, and removing indexing for inflation.

The Department of Energy states the RPS requires certain electricity providers to purchase renewable energy certificates (RECs) or make ACPs when REC requirements are not met. ACPs are deposited into the Renewable Energy Fund (REF).

The Department used Compliance Year 2023 (CY 2023) data as a baseline and assumed REC supply and demand remain static. In CY 2023, compliance payments for Class I thermal totaled \$4,153,098 with 78,457 RECs purchased. Reducing the Class I thermal requirement from 2.2% to 1.7% would reduce ACP revenue by approximately \$1,300,000 annually. Increasing the ACP rate from \$28.76 to \$30.00 would increase revenue by about \$125,000, resulting in a net decrease of approximately \$1,175,000 per year. For Class I, ACP revenue in CY 2023 was \$111,715, and reducing the ACP rate from \$63.29 to \$40.00 is expected to have minimal impact. For Classes III and IV, the rate changes result in minimal first-year increases (Class IV: ~\$12,000) and small savings in later years from removing inflation indexing. The combined effect of these changes is an estimated annual reduction in ACP revenue of approximately \$1,200,000.

Because all ACP collections are deposited into the REF, the reduction in ACP revenue will reduce deposits into the REF by approximately \$1,200,000 annually. In FY 2026 and FY 2027, under Chapter 141:140-141, Laws of 2025, after administrative costs and \$1 million for incentive projects, all remaining REF funds are to be transferred to the General Fund. This means the \$1,200,000 annual reduction in REF revenue will result in a corresponding \$1,200,000 annual loss to the General Fund in those years, along with a \$1,200,000 decrease in REF expenditures due to the smaller transfer. Beginning in FY 2028, when the transfer requirement expires, the annual reduction in REF revenue will directly reduce the amount available for REF funded projects and programs by approximately \$1,200,000.

Based on electricity consumption data from the Department of Administrative Services, the State accounts for roughly 1% of total statewide electricity consumption and would therefore potentially realize \$12,000 in annual savings from lower electricity costs, assuming all electricity is purchased from distribution utilities where rate reductions are passed through. Any potential reductions from electricity purchased from competitive suppliers are indeterminable. County and local governments would also experience an indeterminable decrease in electricity costs when purchasing from distribution utilities, but impacts from competitive suppliers are unknown. There is no anticipated impact on county or local revenues.

**AGENCIES CONTACTED:**

Department of Energy