

Senate Energy and Natural Resources Committee

Joshua Schauer 271-3077

SB 518, relative to asset condition projects.

Hearing Date: January 27, 2026

Time Opened: 11:29 a.m.

Time Closed: 11:57 a.m.

Members of the Committee Present: Senators Rosenwald, Watters, Avard and Pearl

Members of the Committee Absent : Senator McConkey

Bill Analysis: This bill:

I. Establishes definitions and a certification process for qualified transmission asset replacement projects.

II. Modifies application and fee requirements.

III. Clarifies agency roles in site evaluation proceedings.

IV. Expands the site evaluation committee fund to include monitoring and enforcement costs.

Sponsors:

Sen. Avard

Who supports the bill: Joshua Elliot and Daniel Phelan (NH Department of Energy), Donald Kreis (Consumer Advocate), Daniel Richardson

Who opposes the bill: Michael Licata (Eversource), DJ Burke (BIA), Joe Casey (IBEW), Marc Brown (Consumer Energy Alliance), Art Cunningham, Brodie Deshaies (NHMA), Paul Button, Katie McLaughlin.

Summary of testimony presented:

Senator Kevin Avard, District 12

- Senator Avard introduces the legislation on behalf of the executive branch, establishes definitions and a certification process for qualified transmission asset replacement projects. It updates application and fee requirements,

clarifies agency roles in site evaluation proceedings, and expands the Site Evaluation Committee fund to cover monitoring and enforcement costs.

Joshua Elliot, DOE and Daniel Phelan, PUC

- Mr. Phelan said that changes are needed to better protect ratepayers. New, sensible regulations are required that reflect current conditions and today's consumer spending realities. There is a lack of sufficient regulation at the federal level and the replacement of transmission poles and related infrastructure has a direct impact on electricity rates, yet these projects have limited federal oversight.
- He explained that approximately \$4.2 billion in asset condition projects have been included in the regional plan and there is already an abundance of reliability projects, raising questions about the necessity and prioritization of additional projects.
- The bill outlines the responsibilities of the Site Evaluation Committee, including when it may issue permits. These projects are ultimately regulated by FERC, which has authority to site and evaluate transmission projects. Lines 23–31 establish the criteria the committee will consider when reviewing and regulating these projects.
- He stated that the bill does not offer solutions to the underlying issues with these projects. Instead, it creates a process for building and implementing them. Currently, there is no clear review or regulatory process to ensure that asset condition projects represent reasonable and prudent investments.

Senator Watters stated that significant effort was put into reforming the Site Evaluation Committee. On page 3, line 5, he asked whether the proposal changes the 180-day timeline.

Mr. Phelan confirmed that the 180-day timeline would not change.

Senator Rosenwald asked whether the bill would substantially increase the workload of the Site Evaluation Committee and, if so, why there is no fiscal note associated with the legislation.

Mr. Elliot explained that page 3 includes a cost recovery mechanism that runs through the Site Evaluation Committee; however, the Department of Energy does not determine whether a fiscal note is required for legislation.

Mark Brown, Consumer Energy Alliance

- Mr. Brown spoke in opposition to the legislation, while emphasizing that he is not opposed to reform. He cautioned that passage of the bill would create an additional layer of regulatory review, which could ultimately harm consumers rather than help them.

- He explained that added projects and permitting delays would result from the bill, and that such delays directly increase costs for consumers. The longer projects take to complete, the more additional costs are incurred, and those costs are ultimately passed on to ratepayers.
- He asked the committee to carefully consider the potential costs to consumers, as well as the impact on necessary project upgrades, before advancing the legislation. He expressed concern that the bill would create unnecessary red tape that could hinder or even prevent infrastructure projects from moving forward in New Hampshire.
- He also noted that an appeal process already exists under RSA 206 for filing complaints, which typically takes significantly less time than the new process proposed in the bill.
- Additionally, he referenced the role of the Federal Energy Regulatory Commission (FERC), noting that FERC has the authority to disallow cost recovery when appropriate.
- He expressed concern over a disturbing and growing trend of finger-pointing over responsibility for rate increases. He stated that if the bill were to pass, he hopes the committee will ensure that those truly responsible for cost increases are held accountable, rather than shifting blame elsewhere.

Senator Watters raised concerns about the SEC process, asking whether it would affect the 180-day timeline and whether his concern was related to potential delays.

Mr. Brown responded that an additional process is being introduced with a new timeline, but he does not believe it constitutes a strict deadline.

Joe Casey, IBEW Local 104

- Mr. Casey said he was opposed to the bill in its current form. It is unclear whether any proposed transmission project would meet the requirements to qualify as a conditionally approved asset project.

Senator Avard requested that he submit proposed language or amendment recommendations to the committee.

THIS BILL WAS RECESSED UNTIL FEBRUARY 3RD