SB 538-FN - AS INTRODUCED

2026 SESSION

26-2118
06/07

SENATE BILL ***538-FN***

AN ACT extending net metering eligibility terms for municipal energy projects.

SPONSORS: Sen. Watters, Dist 4; Sen. Rosenwald, Dist 13; Sen. Fenton, Dist 10; Sen. Avard, Dist 12; Sen. Long, Dist 20; Sen. Prentiss, Dist 5; Sen. Altschiller, Dist 24; Sen. Perkins Kwoka, Dist 21

COMMITTEE: Energy and Natural Resources

ANALYSIS

This bill establishes long-term eligibility for certain customer-generators to receive net energy metering compensation under alternative tariffs approved by the public utilities commission. This bill also outlines conditions for transitioning to future tariffs.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

26-2118
06/07

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT extending net metering eligibility terms for municipal energy projects.

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

1 Findings and Purpose. The general court finds that:

I. Through the passage of house bill 315 in 2021, the state of New Hampshire intended to make the benefits of group net metering available to municipalities across the state.

II. Despite strong interest from municipalities throughout New Hampshire seeking to construct distributed energy resources for the benefit of their communities, unforseen interconnection delays have resulted in backlog, with many projects still waiting to come online. As the commercial operation date of these projects is pushed out, the available net metering term shrinks due to the termination of net metering in 2040 under current regulation. Without legislative intervention, many municipal net metering projects will cease to be economically viable.

III. The general court finds that a net metering term of 20 years is necessary for municipal projects to be financeable. Restoring a 20-year term for municipal net metering projects simply implements the intent of house bill 315 and ensures that cities and towns receive the benefits promised to them through that legislation.

2 New Paragraph; Net Metering. Amend RSA 362-A:9 by inserting after paragraph II the following new paragraph:

II-a. Each electric distribution utility shall make available alternative tariffs for net metering to eligible customer-generators in accordance with Order No. 26,029 dated June 23, 2017, and the net metering rules adopted by the commission. Any eligible customer-generator used to offset the electricity requirements of a group consisting exclusively of one or more customers who are political subdivisions that first receives compensation under an Order No. 26,029 alternative tariff shall remain eligible to receive that tariff for the longer of 20 years from the first year in which compensation is received, or until January 1, 2040. If, during these terms, the commission adopts new net metering tariffs through an adjudicated proceeding, any eligible customer-generator used to offset the electricity requirements of a group consisting exclusively of one or more customers who are political subdivisions that elects to participate in a new net metering tariff shall be eligible to receive that tariff for 20 years from the first year in which compensation was received under either an Order No. 26,029 alternative tariff or the new net metering tariff. Eligible customer-generators on an Order No. 26,029 alternative tariff may opt to transition to a new net metering tariff established in such a proceeding, provided however, once a customer-generator transitions to a new tariff, they may not revert to an Order No. 26,029 alternative tariff. Upon expiration of eligibility under an Order

No. 26,029 alternative tariff, an eligible customer-generator may transition to the tariff available at that time.

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

LBA
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Revised 12/4/25

SB 538-FN- FISCAL NOTE
AS INTRODUCED

AN ACT extending net metering eligibility terms for municipal energy projects.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**
Revenue	$0	$0	$0	$0
Revenue Fund(s)	None			
Expenditures*	$0	$121,000	$125,000	$126,000
Funding Source(s)	Renewable Energy Fund			
Appropriations*	$0	$0	$0	$0
Funding Source(s)				

***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	$0	$0	$0	$0
Local Revenue	$0	$0	$0	$0
Local Expenditures	$0	$0	$0	$0

METHODOLOGY:

This bill extends eligibility for certain municipal group net-metering projects to receive compensation under the Public Utilities Commission's alternative net-metering tariffs for the longer of 20 years or until January 1, 2040. The bill also allows eligible municipal customer-generators to transition to any new net-metering tariff established by the Commission and receive that tariff for a 20-year term.

The Department of Energy states this bill will result in an increase in state expenditures beginning in FY 2027. The bill is expected to increase the number of group net-metering and municipal net-metering applications requiring review and processing, which the Department indicates cannot be absorbed within existing staffing. The Department anticipates the need for one full-time Business Specialist (SOC13-07). The estimated cost for this position is $121,000 in

FY 2027, $125,000 in FY 2028 and $126,000 in FY 2029. These expenditures would be paid from the Renewable Energy Fund (REF).

If these positions are authorized, it is assumed the funding for these positions would be included in the Department's FY 2028 - FY 2029 budget request.

The Public Utilities Commission states they could absorb the new requirements within this bill into their existing budget.

AGENCIES CONTACTED:

Department of Energy and Public Utilities Commission