

HB 1542-FN - AS INTRODUCED

2026 SESSION

26-2766

07/05

HOUSE BILL            ***1542-FN***

AN ACT                relative to renewable energy fund compliance payments.

SPONSORS:            Rep. Notter, Hills. 12; Rep. Ammon, Hills. 42; Rep. Bernardy, Rock. 36; Rep. Berry, Hills. 44; Rep. Sabourin dit Choiniere, Rock. 30; Rep. D. Thomas, Rock. 16; Rep. Vose, Rock. 5

COMMITTEE:          Science, Technology and Energy

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ANALYSIS

This bill sets the payment cost for the alternative option to the renewable energy fund to \$0.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty-Six*

AN ACT relative to renewable energy fund compliance payments.

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

1           1 Public Utilities; Electric Renewable Portfolio Standard; Renewable Energy Fund. Amend RSA  
2 362-F:10, II(a)-(d) to read as follows:

3                   (a) Class I-~~[\$55]~~ **\$0**, except for that portion of the class electric renewable portfolio  
4 standards to be met by qualifying renewable energy technologies producing useful thermal energy  
5 under RSA 362-F:3 which shall be ~~[\$25]~~ **\$0** beginning January 1, ~~[2013]~~ **2027**.

6                   (b) Class II-~~[\$55]~~ **\$0**.

7                   (c) Class III-~~[\$31.50]~~ **\$0**.

8                   (d) Class IV-~~[\$26.50]~~ **\$0**.

9           2 Effective Date. This act shall take effect July 1, 2027.

**HB 1542-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to renewable energy fund compliance payments.

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

<b>Estimated State Impact</b>				
	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
<b>Revenue</b>	\$0	\$0	Indeterminable Decrease (\$3.35 million)	Indeterminable Decrease (\$6.7 million)
<i>Revenue Fund(s)</i>	Renewable Energy Fund			
<b>Expenditures*</b>	\$0	\$0	Indeterminable Decrease (\$3.35 million +) REF	Indeterminable Decrease (\$6.7 million) REF
			Indeterminable Decrease (\$0 to \$420,000) GF, HF, Various Agency Funds	Indeterminable Decrease (\$420,000) GF, HF, Various Agency Funds
<i>Funding Source(s)</i>	Renewable Energy Fund, General Fund, Highway Fund and Various Agency Funds			
<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	\$0	Indeterminable	Indeterminable
<b>Local Revenue</b>	\$0	\$0	\$0	\$0
<b>Local Expenditures</b>	\$0	\$0	Indeterminable	Indeterminable

**METHODOLOGY:**

This bill amends RSA 362-F:10 to set the Alternative Compliance Payment (ACP) rate for all Renewable Portfolio Standard (RPS) classes—Class I, II, III, and IV—to \$0, effective January 1, 2027.

The Department of Energy states ACPs are the payments electric service providers must make when they cannot procure sufficient Renewable Energy Certificates (RECs) for annual compliance. Under current law, ACPs constitute the sole revenue source of the Renewable Energy Fund (REF), which is used to support renewable energy programs, including required grants for non-residential projects and low-moderate income community solar initiatives. Average ACP revenue into the REF over the past five years has been approximately \$6.7 million per year. Setting ACP rates to \$0 eliminates the ceiling price in the REC market and removes any penalty for non-compliance with the RPS. The Department of Energy states this change would effectively collapse the REC market, result in electricity providers stopping REC purchases or retirements, and reduce REF revenue to \$0 mid year in FY 2028. With the REF eliminated as a funding source, all REF-funded programs including rebate programs, competitive grant programs, low-moderate income solar programs, and statutorily required initiatives would cease unless funded by future legislative appropriations.

The Department of Energy reports that nine full-time positions across the Sustainable Division, Office of Energy Innovation, Division of Administration, and Policy and Programs Division are currently funded entirely from the REF. These positions support REC certification, RPS compliance review, group net-metering application processing, RPS-related rulemaking, administration of all REF grant and rebate programs, and oversight of low-moderate income initiatives. With REF revenue eliminated, these positions would no longer have a funding source and would need to be eliminated. The REF expended on positions ranges between \$1.5 million to \$2.0 million.

The bill may decrease electricity costs for the State of New Hampshire and other ratepayers because providers would no longer incur REC procurement or ACP costs. Based on the Department of Administrative Services' consumption data, the State uses roughly 77,000 MWh annually. Using the five-year average compliance rate cost of \$0.0054/kWh, the State's electricity costs could decrease by roughly \$420,000 per year. The Department notes that long-term economic effects particularly from declining renewable-energy sector activity are indeterminable without a detailed economic study. County and municipal impacts are indeterminable because the Department does not have consumption data for those entities, though reductions in electricity costs would likely occur similar to the State.

**AGENCIES CONTACTED:**

Department of Energy