

HB 1738-FN - AS INTRODUCED

2026 SESSION

26-2643

04/09

HOUSE BILL ***1738-FN***

AN ACT relative to ratepayer benefits from the regional greenhouse gas initiative.

SPONSORS: Rep. Harrington, Straf. 18; Rep. McGhee, Hills. 35; Rep. Vose, Rock. 5; Sen. Rosenwald, Dist 13; Sen. Watters, Dist 4

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill changes the carbon dioxide emissions budget allowances for 2027 through 2030 and thereafter, and creates 2 cost containment allowance levels and the trigger price at which the department releases allowances for years 2027 through 2030 and thereafter.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to ratepayer benefits from the regional greenhouse gas initiative.

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

1 1 Multiple Pollutant Reduction Program; Definition; Regional Organization; RGGI allowance.
2 Amend RSA 125-O:20, XIII-XV to read as follows:

3 XIII. "Regional organization" means a non-profit organization formed by the signatory states
4 to RGGI to provide technical and administrative assistance for such things as: emissions and
5 allowance tracking, [~~offsets development and implementation,~~] allowance market monitoring, and
6 data collection. The organization shall have no regulatory or enforcement authority.

7 XIV. "Retire" means submitting a RGGI allowance to the department for compliance or
8 other purpose or retaining a RGGI allowance by the department such that the allowance may never
9 be sold or otherwise used again.

10 XV. "RGGI allowance" means a limited authorization to emit one ton of CO2 issued by the
11 department or other state with a program that the department determines is in accordance with this
12 subdivision or the RGGI program, including emissions limitations as documented by the regional
13 organization, and shall include budget allowances[~~; offset allowances, and early reduction~~
14 ~~allowances~~].

15 2 Carbon Dioxide Emissions Budget Trading Program. Amend RSA 125-O:21, II to read as
16 follows:

17 II. The program shall include a statewide budget allowance total for each year calculated as
18 follows:

19 [~~2019 4,184,333 minus FCPBA minus SCPBA~~

20 ~~2020 4,079,725 minus FCPBA minus SCPBA~~

21 ~~2021 3,960,999 minus TBA~~

22 ~~2022 3,842,274 minus TBA~~

23 ~~2023 3,723,549 minus TBA~~

24 ~~2024 3,604,823 minus TBA~~

25 ~~2025 3,486,098 minus TBA]~~

26 2026 3,367,373

27 2027 [~~3,248,648~~] **2,993,220**

28 2028 [~~3,129,922~~] **2,619,068**

29 2029 [~~3,011,197~~] **2,244,915**

30 2030 and thereafter [~~2,892,472~~] **1,870,763**

31 3 Compliance; Permit Required. Amend RSA 125-O:22, V to read as follows:

1 V. In addition to the provisions set forth in RSA 125-O:7, an affected CO2 source that fails to
2 obtain and retire sufficient RGGI allowances during a compliance period, in accordance with RSA
3 125-O:22, I, shall obtain and surrender 3 RGGI budget [~~or early reduction~~] allowances in the next
4 compliance period for each RGGI allowance that the affected CO2 source was short in obtaining
5 compliance.

6 4 Cost Containment Allowances in Addition to the Budget. RSA 125-O:29, I is repealed and
7 reenacted to read as follows:

8 I. For the purposes of cost containment, the department shall make available for sale at one
9 or more auctions up to the following amounts of allowances, that shall be in addition to the budget
10 allowance total for the given year under RSA 125-O:21, II, if:

11 (a) The CO2 allowance auction price equals or exceeds \$19.50 in 2027, up to 503,667
12 allowances and up to 503,667 additional allowances if it equals or exceeds \$29.25;

13 (b) The CO2 allowance auction price equals or exceeds \$20.87 in 2028, up to allowances
14 and up to 503,667 additional allowances if it equals or exceeds \$31.30;

15 (c) The CO2 allowance auction price equals or exceeds \$22.33 in 2029, up to 503,667
16 allowances and up to 503,667 additional allowances if it equals or exceeds \$33.49;

17 (d) The CO2 allowance auction price equals or exceeds \$23.89 in 2030, up to 503,667
18 allowances and up to 503,667 additional allowances if it equals or exceeds \$35.83;

19 (e) In any year thereafter, the CO2 allowance auction price equals or exceeds 1.07
20 multiplies by the auction price at which cost containment allowances were required to be made
21 available in the previous calendar year rounded to the nearest whole cent, until further legislative
22 action.

23 5 Repeal. The following are repealed:

24 I. RSA 125-O:20, VII and VII-a, relative to the definition of early reduction allowances and
25 the definition of FCPBA or first compliance period banked allowances.

26 II. RSA 125-O:20, X, relative to the definition of offset allowances.

27 III. RSA 125-O:20, XV-a, relative to the definition of second compliance period banked
28 allowances (SCPBA).

29 IV. RSA 125-O:20, XVIII, relative to the definition of third adjustment for banked
30 allowances (TBA).

31 6 Effective Date. This act shall take effect 60 days after its passage.

**HB 1738-FN- FISCAL NOTE
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FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	Indeterminable (see below)	Indeterminable (see below)	Indeterminable (see below)
<i>Revenue Fund(s)</i>	Energy Efficiency Fund			
Expenditures*	\$0	Indeterminable (see below)	Indeterminable (see below)	Indeterminable (see below)
<i>Funding Source(s)</i>				
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	\$0	Indeterminable	Indeterminable	Indeterminable
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

METHODOLOGY:

This bill updates New Hampshire’s participation in the Regional Greenhouse Gas Initiative by revising the carbon dioxide emissions allowance cap from 2027 through 2030 and maintaining the 2030 allowance level thereafter unless modified through a future program review. The bill also revises the cost containment reserve by establishing two allowance tiers and associated trigger prices to provide additional price controls. These changes are intended to implement the third RGGI Program Review as adopted by participating states.

The Department of Environmental Services and the Department of Energy, which together administer New Hampshire’s participation in RGGI state this bill implements the third RGGI Program Review adopted by all participating states and updates the allowance cap trajectory

beginning in 2027, resulting in larger annual reductions in allowances through 2030 than under current law. The bill also modifies the cost containment reserve by adding a second tier of allowances to provide additional consumer price protection during periods of high allowance prices. The Departments state that revenue from RGGI allowance auctions is deposited into the Energy Efficiency Fund and is primarily used to provide rebates to electricity customers to offset the cost of allowance purchases reflected in wholesale electricity prices. In calendar year 2024, New Hampshire received approximately \$65,800,000 in auction proceeds, of which about \$62,600,000 was returned to ratepayers, with the remaining funds used for energy efficiency programs and administrative costs.

The Departments explain that future RGGI auction prices are uncertain and depend on market conditions, making the fiscal impact of the revised allowance trajectory indeterminable. Economic modeling conducted as part of the RGGI Program Review indicates that if this bill is enacted, allowance prices under the updated program could decrease somewhat during the 2028 through 2030 period. Under the bill, New Hampshire would continue to participate in RGGI auctions and is expected to receive auction proceeds in the range of approximately \$33,000,000 to \$46,000,000 per year during that period, with the majority returned to consumers through bill rebates. This would represent a reduction compared to historical auction revenues of approximately \$66,000,000 per year, but would preserve continued auction participation.

However, the Departments state that under current law, beginning in 2027, New Hampshire's allowance structure would no longer align with RGGI program requirements and allowances would not be offered for sale at auction, resulting in the loss of all RGGI auction revenue, estimated at approximately \$65,800,000 annually. While this bill would reduce auction proceeds relative to prior years, it would avoid the complete loss of auction revenue under current law and maintain continued ratepayer benefits through rebates, with the net impact on State, county, and municipal energy costs remaining indeterminable.

AGENCIES CONTACTED:

Department of Environmental Services and Department of Energy