

HB 1741-FN - AS INTRODUCED

2026 SESSION

26-2724  
06/08

HOUSE BILL            ***1741-FN***

AN ACT                relative to the enrollment and use of distributed energy resource aggregations by electric utilities.

SPONSORS:            Rep. Caplan, Merr. 8; Rep. Cormen, Graf. 15; Rep. McGhee, Hills. 35; Rep. Cloutier, Sull. 6; Rep. Parshall, Ches. 8; Rep. W. Thomas, Hills. 12; Sen. Fenton, Dist 10

COMMITTEE:          Science, Technology and Energy

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ANALYSIS

This bill establishes a distributed power plant program requiring electric utilities to coordinate distributed energy resources for grid services, with commission oversight, incentive payments, cost recovery mechanisms, and performance targets.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.



1 VIII. "Enrollment program" means a utility-approved program for enrolling DERs, either  
2 directly or through aggregators.

3 IX. "Grid event" means a condition for which the utility dispatches enrolled devices.

4 X. "Grid service" means a capacity, energy, or ancillary service that supports grid  
5 operations.

6 XI. "Participant" means an aggregator or direct participant.

7 XII. "Performance payment" means compensation for grid services during a grid event.

8 XIII. "Performance payment rate" means the rate paid for grid services.

9 XIV. "Upfront incentive payment" means a one-time enrollment payment.

10 362-A:11 Distributed Power Plant Program.

11 I. Each electric utility shall file a DPP program proposal with the commission.

12 II. The commission shall conduct an adjudicated proceeding with stakeholder input and  
13 approve or modify each proposal within 100 days.

14 III. Each DPP program shall include:

15 (a) Upfront incentive payments for DERs providing peak load reduction and grid  
16 services;

17 (b) Enrollment programs for batteries, electric vehicles, and combined technologies; and

18 (c) Aggregator programs compensating for avoided costs and grid services.

19 IV. Utilities may integrate existing demand management programs into DPP enrollment  
20 programs.

21 V. Grid services may include:

22 (a) Systemwide and local peak reduction;

23 (b) Transmission and distribution deferral;

24 (c) Voltage support and ancillary services; or

25 (d) Emergency services.

26 VI. The program shall define operational parameters, including minimum and maximum  
27 grid events and notification requirements.

28 VII. Aggregators shall receive dispatch signals, submit performance data, and receive  
29 payments directly.

30 VIII. Direct participants shall receive dispatch signals and payments, with equipment  
31 requirements limited to those necessary for participation.

32 IX. Battery performance shall be measured at the device level without requiring additional  
33 meters.

34 X. No penalties shall be assessed for nonperformance, but the commission may authorize  
35 disenrollment mechanisms.

36 XI. Higher upfront payments may be offered to low- and moderate-income customers.

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1 XII. Participants may lock in performance payment rates for 5 years, with re-enrollment  
2 options.

3 XIII. Participation in other grid service programs and incentives shall be permitted unless  
4 otherwise restricted.

5 XIV. Utilities shall not require collateral from participants.

6 362-A:12 Cost Recovery. Utilities may recover prudent costs associated with DPP program  
7 implementation and performance payments and related costs shall be recovered through  
8 commission-approved mechanisms, including reasonable interest on working capital.

9 362-A:13 Performance Targets and Incentives.

10 I. The commission shall establish capacity procurement targets and performance incentives.

11 II. The commission shall set annual targets for system peak reduction over a 5-year period,  
12 with financial rewards and potential penalties.

13 III. Additional targets for other grid services shall be established.

14 IV. Utilities shall file annual reports to the commission by January 31 of each year detailing  
15 enrollment, performance, and recommendations.

16 3 Effective Date. This act shall take effect January 1, 2027.

**HB 1741-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to the enrollment and use of distributed energy resource aggregations by electric utilities.

**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	\$0	\$0
<i>Revenue Fund(s)</i>	None			
<b>Expenditures*</b>	\$0	Indeterminable Increase \$200,000 to \$500,000 (Utility Assessments)	Indeterminable Increase \$350,000 to \$800,000 (Utility Assessments)	Indeterminable Increase \$350,000 to \$800,000 (Utility Assessments)
		Indeterminable Increase (State's Utility Costs)	Indeterminable Increase (State's Utility Costs)	Indeterminable Increase (State's Utility Costs)
<i>Funding Source(s)</i>	Utility Assessments, 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	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<b>Local Revenue</b>	\$0	\$0	\$0	\$0
<b>Local Expenditures</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

**METHODOLOGY:**

This bill establishes a distributed power plant program that allows electric utilities to enroll and coordinate aggregated distributed energy resources to provide grid services. The bill requires each electric utility to file a distributed power plant program proposal with the Public Utilities Commission, authorizes upfront incentive and performance payments for participating

resources, permits cost recovery for program costs, and directs the Commission to establish performance targets and oversight requirements.

The Department of Energy states this bill creates a new classification of distributed energy resources known as distributed power plants, defined as aggregations of distributed resources operated in coordination to provide grid services such as peak demand reduction, load shifting, and system reliability benefits. The bill allows third party aggregators to enroll customers and coordinate operations with electric utilities and requires utilities to submit program proposals for Commission approval. The Department assumes it would be an active participant in the Commission's adjudicative proceedings reviewing distributed power plant proposals and would need to hire consultants with specialized expertise to evaluate utility filings, including incentive structures and performance payments. The Department estimates consulting costs would range from \$150,000 to \$250,000 and would be paid by the petitioning utility through a special assessment. In addition to consultant costs, the Department anticipates increased administrative responsibilities associated with stakeholder participation, regulatory proceedings, and review of annual performance reports. The Department indicates there may be a need for additional staffing or resources, likely equivalent to one full time position and anticipates the total impact to expenditures to be between \$100,000 to \$500,000.

The Public Utilities Commission states this bill would require the Commission to conduct adjudicative proceedings to review and approve distributed power plant program proposals submitted by electric utilities, establish performance targets and incentives, and review annual utility reports on program enrollment and performance. The Commission states its current utility analyst and attorney staffing is already working at or near full utilization and cannot absorb this additional workload. To meet the bill's requirements, the Commission anticipates the need for one full-time Utility Analyst (13-1190 Miscellaneous Business Operations Specialist-5) and one full-time Attorney IV (23-1010 Lawyers and Judicial Law Clerks-4) beginning January 1, 2027. The estimated cost for these two positions would be \$127,000 total in FY 2027 reflecting a half year of costs, \$266,000 in FY 2028 and \$280,000 in FY 2029, funded through the utility assessment under RSA 363 A.

**AGENCIES CONTACTED:**

Department of Energy and Public Utilities Commission