

HB 219-FN - AS AMENDED BY THE HOUSE

13Mar2025... 0678h
7Jan2026... 2988h

2025 SESSION

25-0262
06/09

HOUSE BILL **219-FN**

AN ACT relative to changes to the minimum electric renewable portfolio standards.

SPONSORS: Rep. Harrington, Straf. 18; Rep. Bernardy, Rock. 36; Rep. Notter, Hills. 12; Rep. Summers, Rock. 20; Rep. Vose, Rock. 5

COMMITTEE: Science, Technology and Energy

AMENDED ANALYSIS

This bill makes changes to the minimum electric renewable portfolio standards.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to changes to the minimum electric renewable portfolio standards.

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

1 1 Electric Renewable Energy Classes. Amend RSA 362-F:4, I(a) to read as follows:

2 (a) Wind energy, **except that mandated by government procurements.**

3 2 Electric Renewable Energy Classes. RSA 362-F:4, I(h) is repealed and reenacted to read as
4 follows:

5 (h) Solar energy if the solar energy produces electricity.

6 3 Minimum Electric Renewable Portfolio Standards. Amend RSA 362-F:3 to read as follows:

7 362-F:3 Minimum Electric Renewable Portfolio Standards. For each year specified in the table
8 below, each provider of electricity shall obtain and retire certificates sufficient in number and class
9 type to meet or exceed the following percentages of total megawatt-hours of electricity supplied by
10 the provider to its end-use customers that year, except to the extent that the provider makes
11 payments to the renewable energy fund under RSA 362-F:10, II:

	2008	2009	2010	2011	2012	2013	2014	2015	2025 and thereafter
12 Class I	0.0%	0.5%	1%	2%	3%	3.8%	5%	6%	15% (*)
13 [Class II	0.0%	0.0%	0.04%	0.08%	0.15%	0.2%	0.3%	0.3%	0.7%]
14 Class III	3.5%	4.5%	5.5%	6.5%	1.4%	1.5%	3.0%	8.0%	8.0%
15 Class IV	0.5%	1%	1%	1%	1%	1.3%	1.4%	1.5%	1.5%

16 *Class I increases an additional 0.9 percent per year from 2015 through 2025. A set percentage of
17 the class I totals shall be satisfied annually by the acquisition of renewable energy certificates from
18 qualifying renewable energy technologies producing useful thermal energy as defined in RSA 362-
19 F:2, XV-a. The set percentage shall be 0.4 percent in 2014, 0.6 percent in 2015, 0.8 percent in 2016,
20 and increased annually by 0.2 percent per year from 2017 through 2023, **and then reduce to 1.7**
21 **percent beginning on August 1, 2025**, after which it shall remain unchanged. ~~[Class II shall~~
22 ~~increase to 0.5 percent beginning in 2018, 0.6 percent beginning in 2019, and 0.7 percent beginning~~
23 ~~in 2020, otherwise]~~ Classes ~~[H-IV]~~ **III and IV** shall remain at the same percentages from 2015
24 through 2025 except as provided in RSA 362-F:4, V-VI.
25

26 4 Electric Renewable Energy Classes. Amend RSA 362-F:4, V to read as follows:

27 V. For good cause, and after notice and hearing, the department of energy may accelerate or
28 delay by up to one year, any given year's incremental increase in class I ~~[or H]~~ renewable portfolio
29 standards requirement under RSA 362-F:3.

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1 5 Electric Renewable Portfolio Standard; Definitions. Amend RSA 362-F:2, XV to read as
2 follows:

3 XV. "Renewable energy source," "renewable source," or "source" means a class I, ~~II,~~ III, or
4 IV source of electricity or a class I source of useful thermal energy. An electrical generating facility,
5 while selling its electrical output at long-term rates established before January 1, 2007, by orders of
6 the commission under RSA 362-A:4, shall not be considered a renewable source.

7 6 Renewable Energy Fund. Amend RSA 362-F:10, I to read as follows:

8 I. There is hereby established a renewable energy fund. This nonlapsing special fund shall
9 be continually appropriated to the department of energy to be expended in accordance with this
10 section; provided that at the start of the period in which there is no adopted state operating budget,
11 the department of energy shall in a timely manner seek the approval of the fiscal committee of the
12 general court to continue using moneys from the renewable energy fund to support renewable energy
13 rebate and grant programs in order to ensure there are no interruptions to the programs. The state
14 treasurer shall invest the moneys deposited therein as provided by law. Income received on
15 investments made by the state treasurer shall also be credited to the fund. All payments to be made
16 under this section shall be deposited in the fund. Any remaining moneys paid into the fund under
17 paragraph II of this section ~~[excluding class II moneys,]~~ shall be used by the department of energy
18 to support thermal and electrical renewable energy initiatives and offshore wind initiatives,
19 including the office of offshore wind industry development and energy innovation. ~~[Class II moneys~~
20 ~~shall primarily be used to support solar energy technologies in New Hampshire.]~~ All initiatives
21 supported out of these funds shall be subject to audit by the department of energy as deemed
22 necessary. All fund moneys ~~[including those from class II]~~ may be used to administer this chapter,
23 but all new employee positions shall be approved by the fiscal committee of the general court. No
24 new employees shall be hired by the department of energy due to the inclusion of useful thermal
25 energy in class I production.

26 7 Renewable Energy Fund. RSA 362-F:10, III is repealed and reenacted to read as follows:

27 III. Beginning June 30, 2025 these rates shall be fixed at the following levels:

28 (a) Class I - \$42, except for that portion of the class electric renewable portfolio
29 standards to be met by qualifying renewable energy technologies producing useful thermal energy
30 under RSA 362-F:3, which shall be \$30.

31 (b) Class III - \$42.

32 (c) Class IV - \$37.

33 8 Renewable Energy Certificates. Amend RSA 362-F:6, II-a to read as follows:

34 II-a. The department of energy shall establish a methodology to estimate the total yearly
35 production for customer-sited sources that are net metered under RSA 362-A:9 and for which class I
36 ~~[or II]~~ certificates are not issued. For purposes of estimation, the department of energy shall use a
37 capacity factor rating of 20 percent for each class I installation. ~~[The department of energy shall~~

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1 ~~separately estimate class II output using a capacity factor rating equal to the annual PV Energy~~
2 ~~Forecast issued by the Distributed Generation Working Group under ISO New England, or its~~
3 ~~successor.]~~ Providers of electricity required to obtain and retire certificates under RSA 362-F:3 shall
4 receive an annual credit for such production according to its class. By February 28 of each year, the
5 department of energy shall compute and make public credit percentages that are equal to the
6 estimated production for the prior calendar year in each class divided by the total amount of
7 electricity supplied by providers of electricity to end-use customers in the prior calendar year, with
8 the result converted to a percentage. Each provider may then, at the time of its annual report filing
9 under RSA 362-F:8, claim a class I ~~[and a class II]~~ certificate credit equal to the credit percentage
10 times the total megawatt-hours of electricity supplied by the provider to its end-use customers the
11 prior calendar year.

12 9 Repeal. The following are repealed:

- 13 I. RSA 362-F:4, I(h), relative to class II sources.
14 II. RSA 362-F:4, II, relative to class II renewable energy.
15 III. RSA 362-F:15, I, relative to class II increases.
16 10 Effective Date. This act shall take effect July 1, 2027.

HB 219-FN- FISCAL NOTE
 AS AMENDED BY THE HOUSE (AMENDMENT #2025-2988h)

AN ACT relative to changes to the minimum electric renewable portfolio standards.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	(\$1,200,000) REF	(\$1,200,000) REF
<i>Revenue Fund(s)</i>	Renewable Energy Fund (REF)			
Expenditures*	\$0	\$0	(\$12,000) Various Agency Funds Including General Fund	(\$12,000) Various Agency Funds Including General Fund
			(\$1,200,000) REF	(\$1,200,000) REF
<i>Funding Source(s)</i>	General Fund and Various Agency Funds and Renewable Energy Fund (REF)			
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	\$0	Indeterminable Decrease	Indeterminable Decrease
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	\$0	\$0	Indeterminable Decrease	Indeterminable Decrease

METHODOLOGY:

This bill as amended modifies the Renewable Portfolio Standard (RPS) by repealing the Class II requirement, reducing the Class I thermal requirement to 1.7%, adjusting Alternative Compliance Payment (ACP) rates, and removing indexing for inflation with an effective date of July 1, 2027 (FY 2028).

The Department of Energy states the RPS requires certain electricity providers to purchase renewable energy certificates (RECs) or make ACPs when REC requirements are not met. ACPs are deposited into the Renewable Energy Fund (REF).

The Department used Compliance Year 2023 (CY 2023) data as a baseline and assumed REC supply and demand remain static. In CY 2023, compliance payments for Class I thermal totaled \$4,153,098 with 78,457 RECs purchased. Reducing the Class I thermal requirement from 2.2% to 1.7% would reduce ACP revenue by approximately \$1,300,000 annually. Increasing the ACP rate from \$28.76 to \$30.00 would increase revenue by about \$125,000, resulting in a net decrease of approximately \$1,175,000 per year. For Class I, ACP revenue in CY 2023 was \$111,715, and reducing the ACP rate from \$63.29 to \$40.00 is expected to have minimal impact. For Classes III and IV, the rate changes result in minimal first-year increases (Class IV: ~\$12,000) and small savings in later years from removing inflation indexing. The combined effect of these changes is an estimated annual reduction in ACP revenue of approximately \$1,200,000.

Because all ACP collections are deposited into the REF, the reduction in ACP revenue will reduce deposits into the REF by approximately \$1,200,000 annually starting in FY 2028 and FY 2029.

Based on electricity consumption data from the Department of Administrative Services, the State accounts for roughly 1% of total statewide electricity consumption and would therefore potentially realize \$12,000 in annual savings from lower electricity costs, assuming all electricity is purchased from distribution utilities where rate reductions are passed through. Any potential reductions from electricity purchased from competitive suppliers are indeterminable. County and local governments would also experience an indeterminable decrease in electricity costs when purchasing from distribution utilities, but impacts from competitive suppliers are unknown. There is no anticipated impact on county or local revenues.

AGENCIES CONTACTED:

Department of Energy