

HB 1539-FN - AS AMENDED BY THE HOUSE

19Feb2026... 0409h

2026 SESSION

26-2605  
06/08

HOUSE BILL            ***1539-FN***

AN ACT                authorizing electric utilities to issue AAA-rated bonds for the purpose of storm cost recovery and infrastructure resilience.

SPONSORS:            Rep. Vose, Rock. 5; Rep. Bernardy, Rock. 36; Rep. Harrington, Straf. 18; Rep. Mooney, Hills. 12; Rep. Schneller, Hills. 2; Rep. D. Thomas, Rock. 16; Sen. Avar, Dist 12; Sen. Watters, Dist 4

COMMITTEE:          Science, Technology and Energy

---

ANALYSIS

This bill authorizes the securitization of storm-related electric utility costs through finance orders issued by the public utilities commission.

-----

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

1 AN ACT authorizing electric utilities to issue AAA-rated bonds for the purpose of storm  
2 cost recovery and infrastructure resilience.

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

3 1 Declaration of Purpose and Findings. New Paragraph; Declaration of Purpose and Findings.  
4 Amend RSA 369-B:1 by inserting after paragraph XVI the following new paragraph:

5 XVII. It is in the public interest for the commission to issue a finance order that is subject to  
6 the requirements of this chapter and that authorizes the issuance of rate reduction bonds that  
7 securitize storm costs.

8 2 New Subparagraph; Definitions. Amend RSA 369-B:2, XIV by inserting after subparagraph  
9 (g) the following new subparagraph:

10 (h) Storm costs.

11 3 New Paragraph; Definitions. Amend RSA 369-B:2 by inserting after paragraph XVIII the  
12 following new paragraph:

13 XIX. "Storm costs" means (i) any costs that the commission determines after a hearing to  
14 have been prudently incurred by an electric utility for preparation, restoration, and response to  
15 storm damage disrupting the normal operation of the electric system and (ii) in each case, all fees,  
16 expenses and transaction costs incurred in connection with the issuance, servicing, retirement or  
17 refinancing of rate reduction bonds whose proceeds are used to pay off the costs described in clause  
18 (i) of this definition.

19 4 Authority to Issue Finance Orders to Finance RRB Costs. Amend RSA 369-B:3, I to read as  
20 follows:

21 I. The commission is authorized, upon the petition of an electric utility and after a hearing,  
22 to issue one or more finance orders pursuant to which rate reduction bonds shall be issued, if the  
23 commission finds that the issuance of such finance order or finance orders is in the public interest as  
24 set forth in RSA 369-B:1, IX or RSA 369-B:1, XVI, **or RSA 369-B:1, XVII** as applicable. Any finance  
25 order adopted pursuant to 1999, 289:3, I and II prior to the effective date of this chapter shall,  
26 following the effective date of this chapter, be deemed to be authorized by this chapter, provided the  
27 commission has made the required finding pursuant to RSA 369-B:3, IV(b).

28 5 New Subparagraph; Authority to Issue Finance Orders to Finance RRB Costs. Amend RSA  
29 369-B:3, IV by inserting after subparagraph (c) the following new subparagraph:

30 (d) Authorize the issuance of rate reduction bonds in an amount sufficient to fund any  
31 storm costs. The net benefits of accumulated deferred income taxes relating to amounts that will be

1 recovered through any such issuance of rate reduction bonds shall be credited to retail customers by  
2 reducing the amount of such rate reduction bonds that would otherwise be issued by the net present  
3 value of the related tax cash flows, using a discount rate equal to the expected interest rate on such  
4 rate reduction bonds. This authorization is in addition to any amount authorized in subparagraph  
5 (a), (b) or (c).

6 6 New Section; Finance Orders Concerning Storm Costs. Amend RSA 369-B by inserting after  
7 section 3-b the following new section:

8 369-B:3-c Finance Orders with Respect to Storm Costs. An electric utility may submit to the  
9 commission an application for a finance order with respect to incurred storm costs. Storm costs shall  
10 be paid off with the proceeds of rate reduction bonds if the commission determines that the issuance  
11 of such rate reduction bonds is in the public interest. A determination that such rate reduction  
12 bonds are in the public interest may be based on reasons including, but not limited to, a showing  
13 that retail customers would experience lower overall costs if such rate reduction bonds are issued, as  
14 compared to traditional recovery calculated over the same time period, or that such financing would  
15 mitigate bill impacts to retail customers as compared with alternative methods of financing or direct  
16 rate recovery of such storm costs. The commission shall issue a final decision on such application for  
17 financing of storm costs within a period not to exceed 180 days of its receipt of an application by an  
18 electric utility for a finance order.

19 7 Establishment of RRB Charge to Recover RRB Costs. Amend RSA 369-B:4, II and III to read  
20 as follows:

21 369-B:4 Establishment of RRB Charge to Recover RRB Costs.

22 II. The commission shall set the RRB charge, per kilowatt-hour of electricity for delivery of  
23 retail electric service, in an amount necessary and sufficient to provide for the full recovery of  
24 principal, *premium, if any*, interest, and credit enhancement on the rate reduction bonds, in  
25 accordance with the amortization schedule for such bonds determined at the time of offering, as well  
26 as all other fees, costs, and charges in respect to the rate reduction bonds, based upon the electric  
27 utility's reasonable assumptions, including sales forecasts.

28 III. Notwithstanding any provision of RSA 369-B:3, the commission shall approve such  
29 adjustments to the RRB charge authorized to be imposed and collected pursuant to a finance order  
30 as may be necessary to ensure timely recovery of all RRB costs that are the subject of such finance  
31 order, including, without limitation, the costs of capital associated with the provision, recovery,  
32 financing, or refinancing thereof and the costs of issuing, servicing, and retiring the rate reduction  
33 bonds contemplated by such finance order. Such RRB charge shall be adjusted periodically, but not  
34 less frequently than annually nor more frequently than monthly, in accordance with the finance  
35 order. The commission shall provide in a finance order for a procedure for the timely approval by the  
36 commission of periodic adjustments to the RRB charge that is the subject of such finance order. The  
37 commission shall approve such adjustments within 60 days of the filing of such adjustment, or

1 within such shorter period as the finance order may designate. These adjustments shall generally  
2 serve to reconcile the actual RRB charges collected with the RRB charges expected to have been  
3 collected during the relevant prior period in a manner such that the adjusted RRB charge will be  
4 sufficient to provide for scheduled principal, *premium, if any*, interest, credit enhancement, fees  
5 and other expenses associated with rate reduction bonds payable in the period during which such  
6 adjusted RRB charge will be billed. The electric utility shall include in such filing a report to the  
7 commission showing the calculation of each such adjustment.

8       8 Effective Date. This act shall take effect upon its passage.

**HB 1539-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT authorizing electric utilities to issue AAA-rated bonds for the purpose of storm cost recovery and infrastructure resilience.

**FISCAL IMPACT: This bill does not provide funding.**

<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 \$500,000 to \$900,00 (Utility Assessments)	Indeterminable Increase \$500,000 to \$1,000,000 (Utility Assessments)	Indeterminable Increase \$500,000 to \$1,000,000 (Utility Assessments)
		Indeterminable (General Fund)	Indeterminable (General Fund)	Indeterminable (General Fund)
<i>Funding Source(s)</i>	Utility Assessments (RSA 363-A:1) and General Fund			
<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	Indeterminable	Indeterminable
<b>Local Revenue</b>	\$0	\$0	\$0	\$0
<b>Local Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable

**METHODOLOGY:**

This bill authorizes electric distribution utilities to petition the Public Utilities Commission (PUC) for approval to securitize “storm costs” through the issuance of rate reduction bonds. The bill requires the Commission to conduct hearings, issue financing orders within 60 days of petition filing, and approve periodic adjustments to storm-recovery charges at least annually and possibly monthly. The bill also assigns responsibilities to the Department of Energy related to reviewing filings, providing analysis in proceedings, and ongoing monitoring.

The Department of Energy states this bill will have an indeterminable impact on state expenditures. The Department explains that the recovery of prudently incurred storm-related costs flows through to customers under current law. Allowing a utility to issue rate reduction bonds to securitize major storm costs may reduce carrying charges paid by customers and allow recovery of those costs over a longer period. The Department cannot determine whether securitization would result in long-term savings to customers or to the State because the interest rate of any bonds and the recovery period would not be known until a utility files a petition with the PUC. As the State represents approximately one percent of total electricity usage, securitization would lower the immediate bill impact to the State, but any long-term savings remain unknown. County and local expenditures will also have an indeterminable impact based on their electricity usage.

The Department further states it may need to obtain consultant services to review any utility filing requesting approval to issue rate reduction bonds and to review the bond issuance itself. Consultant services would be procured through competitive solicitation. While actual costs are unknown, the Department estimates consultant costs to range between \$250,000 and \$650,000, which would be specially assessed to the petitioning utility.

The Public Utilities Commission states that it must review each securitization petition, conduct hearings, and issue a financing order within 60 days, which is a significantly accelerated timeline compared to typical rate cases. In addition, the Commission must approve periodic adjustments to storm-recovery charges at least annually and potentially monthly for each utility that issues bonds, resulting in ongoing recurring workload.

To meet these statutory deadlines, the Commission anticipates the need for one full-time Utility Analyst position (13-1190 MISC BUS OPS SPECS-5 SOC11-06) at a cost of \$127,000 in FY 2027, \$133,000 in FY 2028, and \$140,000 in FY 2029 and one full-time Attorney position (23-1010 LAWYERS-3 SOC23-08) at a cost of \$118,000 in FY 2027, \$124,000 in FY 2028, and \$130,000 in FY 2029. The total cost of both positions would be \$245,000 in FY 2027, \$257,000 in FY 2028 and \$270,000 in FY 2029. These expenditures would be paid from the Utility Assessment Fund under RSA 363-A:1.

**AGENCIES CONTACTED:**

Department of Energy and Public Utilities Commission