HB 1738-FN - VERSION ADOPTED BY BOTH BODIES

05/14/2026 1931s
4Jun2026... 2069CofC
4Jun2026... 2190EBA

2026 SESSION

26-2643
04/09

HOUSE BILL ***1738-FN***

AN ACT relative to ratepayer benefits from the regional greenhouse gas initiative and relative to energy procurement and nuclear regulatory duties.

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

AMENDED ANALYSIS

This bill:

I. 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.

II. Modifies the coordinator of nuclear development and regulatory activities' duties.

III. Defines "advanced nuclear reactor."

IV. Extends the deadline for electric distribution utilities to issue requests for proposals for multi-year agreements for energy, in conjunction with or independent of any attendant environmental attributes from electric energy sources, and modifies the requirements for the agreements.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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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 and relative to energy procurement and nuclear regulatory duties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2026 3,367,373

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

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

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

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

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

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

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

125-O:29 Cost Containment Allowances in Addition to the Budget.

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

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

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

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

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

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

II. The allowances sold pursuant to paragraph I shall be replenished, such that the full 1,007,214 allowances, if needed, are available the following calendar year.

5 Repeal. The following are repealed:

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

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

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

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

6 Peaceful Uses of Atomic Energy; Coordination of Studies and Development Activities. Amend RSA 162-B:4, III to read as follows:

III. The coordinator of nuclear development and regulatory activities shall have the duty to coordinate and produce the reports required by RSA 162-B:3, as well as coordinate the studies conducted, and the recommendations and proposals made, in this state with like activities in New England and other states and with the policies and regulations of the United States Nuclear Regulatory Commission. ***These activities may include the management of funding and oversight of nuclear incentive programs, such as those described by RSA 374-F:11, as well as outreach programs to inform and educate the public, particularly regarding safety.***

7 New Paragraph; Electric Utility Restructuring; Definitions. Amend RSA 374-F:2 by inserting after paragraph II the following new paragraph:

II-a. "Advanced nuclear reactor" has the same meaning as that provided in 42 U.S.C. section 16271(b)(1), as amended from time to time.

8 Purchased Power Agreements. Amend the introductory paragraph of RSA 374-F:11, I to read as follows:

I. Investor-owned electric distribution utilities may elect to develop and, no later than June 30, [~~2025~~] ***2040***, issue a request for proposals for multi-year agreements for energy, in conjunction with or independent of any attendant environmental attributes from electric energy sources.

9 Purchased Power Agreements. Amend RSA 374-F:11, I(g) to read as follows:

(g) All megawatt hours procured through agreements made pursuant to this section shall come from ***existing,*** new, or incremental electric energy sources.

10 New Subparagraphs; Purchased Power Agreements. Amend RSA 374-F:11, I(h) by inserting after subparagraph (2) the following new subparagraphs:

(3) "Existing electric energy sources" means all sources that currently provide energy to the ISO-NE regional markets, including nuclear power generation facilities located in the ISO-NE control area that commenced commercial operation before January 1, 2011.

(4) Upon the petition of one or more electric distribution utilities, and after notice and hearing, the public utilities commission may authorize such utility or utilities to enter into multi-year agreements with existing, new, or incremental electric energy sources up to a total of 3 million megawatt hours statewide, on an annual basis, if it finds such agreements to be just and reasonable and in the public interest.

(5) Further, any single source shall be eligible to procure an amount of energy not to exceed 1 million megawatt hours statewide, on an annual basis, except for advanced nuclear reactors as defined in RSA 374-F:2, II-a, which may procure an amount not to exceed 2 million megawatt hours on an annual basis.

11 Purchased Power Agreements. Amend the introductory paragraph for RSA 374-F:11, II through RSA 374-F:11, II(a) to read as follows:

II. Any investor-owned electric distribution utility electing to enter into an agreement pursuant to this section shall petition the public utilities commission for authorization to enter the agreement no later than June 30, [~~2026~~] ***2041***.

(a) Upon the petition of one or more electric distribution utilities, and after notice and hearing, the public utilities commission may authorize such utility or utilities to enter into multi-year agreements with new or incremental electric energy sources up to a total of 2 million megawatt hours statewide, on an annual basis, if it finds such agreements to be just and reasonable and in the public interest***, provided that if at least 1 million megawatt hours are procured from advanced nuclear reactors as defined in RSA 374-F:2, II-a, an additional 1 million megawatt hours may be procured from existing, new, or incremental electric energy sources for a total of up to 3 million megawatt hours statewide annually***.

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

LBA
26-2643
5/19/26

HB 1738-FN- FISCAL NOTE

AS AMENDED BY THE SENATE (AMENDMENT # 2026-1931s)

AN ACT relative to ratepayer benefits from the regional greenhouse gas initiative and relative to net metering, energy procurement, and nuclear regulatory duties.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**
Revenue	$0	**Sections 1-5** Indeterminable (see below)	**Sections 1-5** Indeterminable (see below)	**Sections 1-5** Indeterminable (see below)
Revenue Fund(s)	Energy Efficiency Fund			
Expenditures*	$0	**All Sections** Indeterminable (State's Utility Costs)	**All Sections** Indeterminable (State's Utility Costs)	**All Sections** Indeterminable (State's Utility Costs)
		Sections 6-13 $126,000 (Utility Assessments)	**Sections 6-13** $129,000 (Utility Assessments)	**Sections 6-13** $135,000 (Utility Assessments)
Funding Source(s)	General Fund, Highway Fund, Various Agency Funds, and Utility Assessment per RSA 363-A			
Appropriations*	$0	$0	$0	$0
Funding Source(s)	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:

Sections 1 thru 5

Sections 1 thru 5 of 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.

Sections 6 thru 13

Sections 6 thru 13 of this bill enables electric utilities to own, operate, and offer advanced nuclear resources, modifies net metering provisions, expands the capacity limits of community solar projects, and allows electric distribution utilities to enter into long-term energy contracts.

The Department of Energy states this bill modifies the responsibilities of the coordinator of nuclear development to include management of funding and outreach programs; however, these changes will not result in significant additional costs.

The Department states this bill makes several changes to net metering. The threshold between small and large customer generators is increased from 100 kW to 500 kW, resulting in additional compensation for certain customer-generators. Increasing the number of small customer generators will increase net metering compensation costs for electric utilities, which are recovered from ratepayers. Without information regarding the number of affected customer-generators, the Department is unable to estimate the total increase in costs. Based on electricity consumption data, the State accounts for approximately 1% of total electricity usage and would therefore experience an increase in electricity costs proportional to any increase in net metering compensation costs.

The Department states increasing the annual cap for community solar projects from 6 megawatts to 12 megawatts will increase workload and would require one Utility Analyst IV position (13-11960 Miscellaneous Business Operations Specialists-7, SOC 13-08). The estimated cost for this position is $126,000 in FY 2027, $129,000 in FY 2028, and $135,000 in FY 2029. The bill does not provide authorization or funding for this position. Any such position would be funded through the Department's assessment on utilities pursuant to RSA 363-A and recovered from ratepayers.

The Department states modifications to long-term energy contract provisions will have minimal fiscal impact and can be managed with existing staff.

Lastly, the Department states counties and municipalities will experience increased electricity costs as a result of increased net metering compensation; however, the extent of this impact is indeterminable.

AGENCIES CONTACTED:

Department of Environmental Services and Department of Energy