

Senate Energy and Natural Resources Committee

Max Taylor 271-1403

HB 723-FN, repealing the multi-use energy data platform.

Hearing Date: April 22, 2025

Time Opened: 9:25 a.m.

Time Closed: 10:45 a.m.

Members of the Committee Present: Senators Avard, Pearl, Watters and Rosenwald

Members of the Committee Absent : Senator McConkey

Bill Analysis: This bill repeals the multi-use energy data platform.

Sponsors:

Rep. Berezhny

Rep. Bernardy

Rep. Harrington

Rep. McFarlane

Rep. D. McGuire

Rep. Notter

Rep. Summers

Rep. D. Thomas

Rep. Vose

Who supports the bill: Representative Lex Berezhny (Grafton County District 11), Representative Michael Vose (Rockingham County District 5),

Who opposes the bill: Representative Kat McGhee (Hillsborough County District 35), Representative Lucius Parshall (Cheshire County District 8), Donald Kreis (The Office of the Consumer Advocate), Nick Paul (Clean Energy New Hampshire), Mike Vlacich (Community Power Coalition)

Who is neutral on the bill: Dan Phelan (New Hampshire Department of Energy), Alec O'Meara (Unitil)

Summary of testimony presented in support:

Representative Lex Berezhny

Grafton County District 11, Prime Sponsor

- Representative Berezhny introduced HB 723-FN, which would repeal RSA 378:50-54, which established a statewide multi-use energy data platform that has not progressed beyond planning in six years.

- He explained that the project aimed to create a state-managed energy data hub with utility-fed software integration, but no software has been built or procured despite two failed attempts at federal funding.
- Representative Berezghny cited a Department of Energy grant rejection letter outlining concerns about the project's practicality, impact, and economic viability.
- He argued the project lacks ownership and technical leadership, with no state agency equipped to manage a complex tech build and suggested private software companies would be better suited to develop such systems.
- He stated the law's current structure circumvents the standard PUC rate case process and enables indefinite deferral of the project, highlighting that no cost certainty or implementation timeline exists.
- Representative Berezghny noted that while some utilities already offer customer energy data access through existing portals, the proposed data hub offers little added value and raises privacy and participation concerns.
- He questioned the value of a costly system that relies on voluntary customer opt-ins and limited utility smart meter coverage, concluding that the market, not legislation, should drive such innovation.
- He acknowledged time and effort had been invested by state agencies and volunteers, but emphasized that no businesses had invested capital, and repealing the law would not result in financial losses.
- He suggested New Hampshire should prioritize software modernization efforts and smart meter upgrades before pursuing a centralized data hub.
- Senator Rosenwald asked whether private software company management of the platform would raise privacy concerns.
 - Representative Berezghny responded that a software company could build the system, while the state could retain control and secure data.
- Senator Rosenwald asked if licensing a solution would be more efficient.
 - Representative Berezghny agreed, stating licensing would have been preferable and could have led to faster implementation.
- Senator Rosenwald noted the law only requires joint operation, not that the state must build it.
 - Representative Berezghny replied that if licensing were an option under the current structure, it likely would have been pursued by now.
- Senator Rosenwald asked if the Department of Energy requested a budget reduction for this area.
 - Representative Berezghny stated he was unaware of any such request but noted the department reassigns internal staff time to meet statutory obligations related to the project.

- Senator Avard asked if repealing the law undermines legislative stability and discourages investment.
 - Representative Berezhny countered that no business investments had been made, and repealing an unbuilt project wouldn't damage the state's stability.
- Senator Avard asked if any benefits came from the statute.
 - Representative Berezhny stated the platform has not been built and remains in the design phase, offering no tangible benefit to date.
- Senator Avard questioned whether the law led to any rules or systems.
 - Representative Berezhny clarified that the law allows indefinite deferral if costs are deemed too high, effectively keeping the project in limbo and requiring ongoing departmental engagement without progress.

Representative Michael Vose

Rockingham County District 5

- Representative Vose emphasized the distinction between what the statewide online energy data platform *could* do versus what it *would* do, arguing that no one has clearly defined tangible outcomes or benefits.
- He criticized the project's reliance on optimistic projections without concrete deliverables, noting that after six years, there is still no functioning platform or measurable progress.
- Representative Vose stated that continuing the project risks wasting million of dollars on uncertain returns and encouraged the state to cut its losses before investing further.
- He praised the testimony of software professionals who characterized the project as poorly designed and likely to fail.
- Representative Vose emphasized that state resources should fund projects with proven value, not speculative potential.
- Senator Avard asked if the Department of Energy requested the bill or supported it during testimony.
 - Representative Vose responded that the department testified as neutral but expressed concerns over high and uncertain costs, indicating they were uneasy about the project's financial implications.

Summary of testimony presented in opposition:

Representative Kat McGhee

Hillsborough County District 35

- Representative McGhee shared her firsthand involvement as a co-sponsor and lead subcommittee member on the original 2019 legislation establishing the statewide multi-use energy data platform.
- She explained that the platform was designed to centralize gas and electric energy usage data across utilities, enabling improved grid modernization, efficiency planning, and consumer innovation, with strong privacy and security safeguards.
- Representative McGhee explained that she is a former software project manager and detailed how the platform has progressed significantly, including successful stakeholder collaboration, technical sessions, and development of detailed user stories, objectives, and a governance council.
- She emphasized that claims suggesting the platform’s purpose is unclear are incorrect, pointing to finalized specifications and a ready-to-release RFP that has been approved by the Public Utilities Commission (PUC).
- She clarified that the state’s attempt to secure federal funding was for a larger, regional version of the project, which was denied, not the New Hampshire-specific project which remains viable and nearly ready for implementation.
- Representative McGhee argued that repeals of the project now would waste years of stakeholder effort, prevent data-driven energy management, and stall innovation at the moment of progress, all while the PUC retains final authority over implementation and cost approvals.
- She stated the project’s costs will be amortized across 840,000 utility customers and assessed through an upcoming cost-benefit analysis expected this year, meaning there is no fiscal urgency to kill the project before full financial data is available.
- Senator Avard asked when the RFPs would be released and when results would be available.
 - Representative McGhee responded that the RFPs are completed and expected to be issued soon, with results and a cost-benefit analysis due by fall 2025. The PUC will review both before any implementation decision is made.
- Senator Watters asked for a specific release date of the RFPs.
 - Representative McGhee stated the RFPs are finalized and ready, pending unanimous approval from the Department of Energy and the PUC. She indicated the PUC has already reviewed the documents and were confident in their findings.

Donald Kreis

The Office of the Consumer Advocate

- Mr. Kreis explained the platform, which was originally championed by his office six years ago, enhances residential ratepayer freedom by enabling technologies that depend on access to customer energy usage data.
- He stated that while critics say the platform *could* offer benefits, it *would* deliver savings by giving consumers and competitive suppliers access to data currently controlled by utilities.
- Mr. Kreis emphasized the project is on the verge of key progress, with two finalized RFPs, approved by the PUC, ready to be issued by Unitil, which will determine the project's costs and feasibility.
- He clarified the current statute does not mandate the project move forward unconditionally, it gives the PUC the authority to halt implementation if costs are found to be unreasonable.
- Mr. Kreis noted the platform would be jointly operated by the state's electric and gas utilities, not owned or managed by the state, and would be subject to standard regulatory oversight and cost recovery rules.
- He warned that repealing the statute now would halt the project entirely, as utilities are unlikely to pursue it independently without statutory support.
- Mr. Kreis recalled the bipartisan origins of the original law and expressed disappointment that the repeal effort has become a partisan issue.
- He urged the committee to let the RFPs proceed and consider the project's value once complete information is available, suggesting re-referral of the bill to committee as a reasonable alternative to repeal.
- Senator Avard asked if the data platform has been of use to the Department of Energy.
 - Mr. Kreis responded that he could not speak for the Department of Energy but noted that the Department of Energy, like all members of the Governance Council, has had the power to veto the project and has not done so.
- Senator Avard asked if the RFPs will provide public cost-benefit data and whether repealing the statute would stop progress.
 - Mr. Kreis confirmed that the RFPs will provide transparent cost information and that repealing the statute would effectively shut down the project.
- Senator Avard asked if a sunset clause or delay would be appropriate if the project proves unjustified.
 - Mr. Kreis agreed and noted that existing law already allows the PUC to stop the project if it is not cost-effective, making repeal unnecessary.

Nick Paul

Clean Energy New Hampshire

- Mr. Paul explained the multi-use data platform is designed to modernize access to energy usage data by allowing customers to securely and easily share their information with contractors, competitive suppliers, landlords, and efficiency programs.
- Mr. Paul emphasized the platform reduces friction in the energy market, making it easier for consumers and third parties to access and use energy data, thereby unlocking value and enabling cost savings.
- He referenced a draft cost-benefit analysis submitted to the PUC last fall that estimated \$27 million in net benefits within the first five years and as much as \$94 million over ten years.
- He noted that savings would come from streamlining data exchanges, automating manual processes, and improving customer access to energy-saving programs, particularly benefiting renters, landlords, businesses, and utilities.
- Mr. Paul stressed the platform is infrastructure, not a mandate, and that it aligns with New Hampshire's market-based energy policy by fostering competition and enabling smarter energy decisions.
- He warned that repealing the statute would preserve existing barriers, hinder innovation, raise hidden energy costs, and move the state backward economically and technologically.
- He urged the committee to reject and retain RSA 378, stating that doing so would support lower energy costs, better customer tools, and a more competitive energy market.

Representative Lucius Parshall

Cheshire County District 8

- Representative Parshall focused on the broader economic and energy competitiveness implications of repealing the statewide energy data platform statute.
- He noted that while the House recently passed legislation to fast-track small modular nuclear reactors, signaling that "New Hampshire is open for business," the repeal of the data platform would contradict that message.
- Representative Parshall emphasized that nearly every other state in the Northeast, except Maine and New Hampshire, has implemented energy data platforms, which are essential tools used by energy providers to inform investment decisions.

- He warned that without such a platform, New Hampshire risks becoming an “energy information desert,” putting the state at a disadvantage in attracting new energy infrastructure and development.
- He concluded by urging lawmakers to consider how repealing the platform undermines the state’s efforts to promote itself as a forward-think, business-friendly energy environment.

Neutral Information Presented:

Dan Phelan

New Hampshire Department of Energy

- Mr. Phelan stated the Department of Energy (DOE) is neutral on HB 723-FN, but highlighted the significant resources expended to comply with the legislative directive establishing the statewide multi-use energy data platform.
- He stated the project has not followed the typical utility capital investment process and has required hundreds of staff hours, including overtime, from DOE staff and costly consultant work, such as \$150,000 spent on the GRIP grant application for regional version of the platform.
- Mr. Phelan raised concerns about the platform’s unclear long-term, noting that the anticipated benefits are scattered across different stakeholders, utilities, customers, and third parties, and depend on uncertain customer participation and future smart meter upgrades.
- He noted that New Hampshire is still years away from receiving more than monthly energy usage data from utilities, which limits the platform’s near-term utility and makes the cost-effectiveness harder to justify.
- Mr. Phelan explained that utilities are likely to seek rate recovery for their costs since the statute mandates their participation, meaning ratepayers will ultimately bear the financial burden unless the law is repealed.
- He clarified that DOE has not requested additional staffing or budget cuts for this project, as the work has been absorbed by existing staff who could otherwise be performing other duties.
- Mr. Phelan acknowledged there were some technical concerns that were raised and resolved during the planning process, and reiterated that the DOE has worked in good faith to meet its legislative obligation, despite internal skepticism about the platform’s potential benefits.
- Senator Rosenwald asked whether any employees were exclusively dedicated to the platform and if the DOE had sought to reduce its budget in this area.
 - Mr. Phelan confirmed that no specific positions were created, and that existing staff worked on the platform in lieu of other duties.

- Senator Rosenwald asked for clarification on the low annual utility backend operating costs and compared them favorably to larger state IT systems.
 - Mr. Phelan responded that the backend figures only represent a portion of total costs, the platform hub and data exchange infrastructure will require additional investments not yet accounted for.
- Senator Avarad asked whether the DOE is simply carrying out a legislative directive and whether the DOE has raised objections.
 - Mr. Phelan confirmed the DOE has raised concerns during the planning process but has not exercised its veto authority because the decisions it engages in, such as RFP alignment with PUC orders, are narrow and technical in nature.
- Senator Avarad questioned the logic of ending a project after significant investment without realizing any deliverables.
 - Mr. Phelan acknowledged the platform has consumed time and resources, but DOE remains skeptical that the benefits will materialize without a substantial financial commitment.
- Senator Pearl asked if a business-minded approach would be to let the RFP process conclude and revisit the platform’s value based on results.
 - Mr. Phelan stated that decision belongs to the legislature, but DOE remains concerned about the platform’s ultimate return on investment and questioned whether projected benefits will be realized.

Alec O’Meara

Unitil

- Mr. O’Meara clarified Unitil’s role on the Governance Council and emphasized the importance of completing the cost-benefit analysis before any legislative decision is made.
- He explained Unitil views the platform project through the same lens as other customer-facing innovations, if a project imposes costs on ratepayers, it must demonstrate net benefits, as Unitil has required in previous initiatives such as their Kingston solar project and energy efficiency programs.
- Mr. O’Meara explained that according to internal communications with Unitil’s IT lead, results of the cost-benefit analysis would be available approximately 14 weeks after the RFP is issued.
- He clarified that while Unitil has been described as the “project lead,” the company has acted more as a facilitator, volunteering to coordinate and complete tasks on behalf of the group but not directing the project unilaterally.

- Mr. O'Meara emphasized that the Governance Council has completed its work, and the RFP is ready but has been paused by the PUC pending the legislative outcome of HB 723-FN.
- He reiterated that issuing the RFP is the next logical step to determine the platform's value and that the timeline suggests results could be obtained before the end of the year if the bill is not passed.
- Senator Pearl asked if the RFP could produce useful results before the end of the year.
 - Mr. O'Meara confirmed that if the bill is killed and the RFP is issued, the cost-benefit analysis could be completed in approximately 14 weeks, with results likely by the end of the year.
- Senator Pearl asked whether holding the bill rather than passing it would allow the RFP process to move forward.
 - Mr. O'Meara responded that this would depend on the PUC's interpretation, but noted that the RFP is complete and issuance is at the discretion of the PUC.
- Senator Pearl asked if the Governance Council has completed its work and if the delay is entirely with the PUC.
 - Mr. O'Meara confirmed the Council's work is done and the decision to proceed with the RFP lies with the PUC.

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Date Hearing Report completed: April 24, 2025