

Senate Energy and Natural Resources Committee

Joshua Schauer 271-3077

SB 589-FN, relative to establishing a multi-agency report on transmission corridors, interstate trucking charging terminals, and port electrification; authorizing a pilot program for microgrid development; and requiring guidelines for cybersecurity of distributed energy resources.

Hearing Date: January 15, 2026

Time Opened: 1:35 p.m.

Time Closed: 2:18 p.m.

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

Members of the Committee Absent : None

Bill Analysis: This bill:

I. Establishes a task force to study transmission corridors, EV charging terminals for interstate trucking, and port electrification.

II Authorizes a microgrid pilot program to enhance energy resilience and support distributed energy development.

III. Directs the department of energy to develop cybersecurity guidelines for distributed energy systems.

Sponsors:

Sen. Watters

Sen. Avard

Sen. Rosenwald

Sen. Perkins Kwoka

Sen. Pearl

Sen. Altschiller

Rep. Cloutier

Rep. McGhee

Who supports the bill: Senator David Watters, Nick Paul, Clean Energy NH

Who opposes the bill: Robert Sculley, NH Motor Transport Association (NHMTA)

Who is neutral on the bill: Johnna McKenna, NHDES, Bob Scott, NHDES, Michael Licata, Eversource, Joshua Elliot, NH DOE.

Summary of testimony presented:

Senator David Watters, District 4

- Senator Watters introduced the bill and explained that the legislation is derived from a microgrid study completed by the Department of Energy. The study examined how microgrids could enhance reliability, resilience, and energy security within the state.
- The bill focuses on electric distribution at the distribution level, allowing systems to operate independently or at a different level from the larger grid when necessary, particularly during disruptions or emergencies.
- He noted that there are five locations in New Hampshire that may be suitable for the development of microgrids. These potential sites highlight the need for careful planning and coordination.
- He emphasized the interconnected relationship between microgrids and cybersecurity, noting that as electric distribution systems become more localized and technologically advanced, it is critical to ensure they are secure at the distribution level.
- Reference was made to Page 2, line 17, which clarifies the role of the utility for the state and underscores the urgent need to move this work forward. The intent is to ensure continuity of planning and development efforts.
- This portion of the bill establishes a task force to study transmission corridors, with the goal of identifying appropriate locations and strategies for future transmission infrastructure.

Senator Avard asked whether the language being discussed represented a proposed change to existing policy.

Senator Watters confirmed that it was, in fact, a proposed change. He further explained that the task force has identified potential sites for developing these types of energy projects. He used Amazon as an example, noting the challenges of ensuring sufficient and reliable power supply for large-scale facilities and economic development projects. He stated that New Hampshire was the first state to identify highway corridors as appropriate locations for transmission corridors, and the study would continue to examine the feasibility of using highway corridors for this purpose. He noted that a standard data center bay may require 50–60 megawatts (MW) of power, raising questions about how to meet future demand. He referenced emerging technologies such as modular nuclear reactors, including the concept of early adoption and the possibility of containerized or “plug-in” modular systems. He stated that a study focused on the port would be practical and timely, positioning the port to be ready for future investment and energy-intensive development.

Senator Avard asked whether the portion of the bill related to the port was intended to be a study rather than an implementation measure.

Senator Watters confirmed that the port-related language is indeed a study component of the bill. He continued by emphasizing that the electric grid faces increasing threats from cybersecurity risks. He noted that findings from the microgrid study showed that Eversource operates on its own secure network, but that there are

currently no uniform state standards for cybersecurity at the grid or distribution level. He also stated that he and Commissioner Scott have discussed the Department of Environmental Services (DES) cybersecurity plan, highlighting the importance of coordination among state agencies on cybersecurity preparedness. He explained that other sections of the bill focus on establishing task forces to further study and address these infrastructure and security issues.

Senator Avard asked whether the committee should expect a future amendment to the bill.

Senator Watters responded that yes, an amendment is anticipated.

Senator Rosenwald raised concerns regarding cybersecurity protections for water systems and the expertise within DES. He questioned why the bill states that DES “*may adopt rules*” rather than “*shall adopt rules,*” suggesting a potential issue with the strength or enforceability of the provision.

Senator Watters replied that Commissioner Scott would be better positioned to address that specific question and stated that he did not want to speak on the Commissioner’s behalf. It was also noted that the bill includes a July 1, 2027 date, indicating a timeline or deadline related to implementation, reporting, or rulemaking.

Rep. Robert Sculley, NH Motor industry

- Mr. Sculley stated that there are currently no heavy-duty electric trucks in widespread commercial use, noting that existing electric models do not have the range or productivity of clean-diesel trucks.
- He emphasized that the cost differences are significant, explaining that the electricity required to charge one heavy-duty electric truck is roughly equivalent to the electricity used by 100 homes.
- He further stated that if the proposal is intended to support companies such as Amazon, there are no New Hampshire-based companies that would use these types of electric truck stops.
- Based on these concerns, he requested that the trucking-related provisions be removed from the bill.

Senator Watters responded that the recoverable expense referenced in the bill applies only to the cost of conducting the study, not to construction or implementation. However, he acknowledged the concerns and stated that he is considering striking that portion of the bill. He clarified that the bill does not authorize or require the construction of electric truck infrastructure. It merely proposes that such infrastructure be studied as a potential option to determine feasibility.

Mr. Sculley stated that, despite these clarifications, he remains opposed to the bill.

Senator McConkey asked for clarification on where the language should be stricken if amendments were to be made. He also commented on the current state of electric vehicle energy policy, stating that momentum behind electrification has declined.

Mr. Sculley responded that during the Biden administration there was a strong push for electric trucks, but noted that approximately 90% of electrified trucks are located in California.

Senator McConkey concluded by stating that the transportation sector and infrastructure are not currently capable of supporting this level of electric vehicle deployment.

Commissioner Bob Scott, Department Environmental Services

- Commissioner Scott addressed the need for assistance to drinking water and wastewater systems to improve cybersecurity protections, recognizing these systems as critical infrastructure.
- It was noted that Governor Sununu and other state officials received three letters from federal agencies emphasizing that water system cybersecurity is extremely important and urging states to assess how they are protecting these systems.
- Mr. Scott discussed the importance of working closely with the Cybersecurity and Infrastructure Security Agency (CISA) to strengthen protections for water and wastewater systems.
- A grant program was referenced that allows water systems to receive a free cybersecurity assessment from CISA, with the intent of helping water systems and municipalities identify vulnerabilities and improve their defenses. The assistance would extend to local water systems operated by towns, ensuring that smaller and more rural systems are included.
- The Overwatch Foundation was mentioned as an organization that is helping to change the approach to cybersecurity preparedness, particularly by assisting towns in becoming more proactive rather than reactive.
- He noted that this issue involves many of the same stakeholders and challenges already under discussion and represents a logical next step in strengthening infrastructure security.
- A key component of the bill would be to work with industry partners to develop baseline cybersecurity standards and rules, which are critical to protecting drinking water and wastewater infrastructure.
- He stated that the drinking water and wastewater authority should be required to adopt these rules, and that using the word “shall” is acceptable, responding to Senator Rosenwald’s earlier question regarding mandatory versus discretionary rulemaking language.
- Mr. Scott expressed support for the cybersecurity-related portions of the bill, while remaining neutral on the remainder of the legislation.
- Finally, the speaker referenced the diesel fuel retrofit program, which supports replacing older diesel engines with cleaner diesel engines or electric

vehicles, and noted that this program is funded through the Volkswagen settlement fund.

Senator McConkey stated that for the past three years, the agency has been raising concerns about this issue, which he acknowledged as important and timely. However, he cautioned that many water system operations are very small, and that the impact on rates, as well as the costs and requirements associated with testing, need to be carefully considered.

Commissioner Scott responded that there are indeed many small water systems, and noted that many of them do not operate industrial control systems and are not connected to the internet. Despite this, he emphasized that it is important for these systems to take basic precautions and be prepared for potential cybersecurity threats.

Senator Rosenwald asked the Commissioner to respond to Mr. Sculley's request to remove the provisions related to transmission corridors and the port task force, clarifying that these provisions do not create a mandate. He asked whether this is something the Department of Environmental Services (DES) believes should be examined.

Commissioner Scott responded that he would defer to the Department of Energy (DOE) on those issues.

Senator Avard stated that he remains concerned about the trucking-related portion of the bill.

Senator Watters reiterated that, one way or another, this portion of the bill needs to move forward. He emphasized that the cybersecurity protections for water systems are the critical element that must be included in the final legislation.

Joshua Elliott, Department of Energy

- Mr. Elliott stated that he has no position on Section 2 of the bill.
- Regarding the trucking-related provisions, Mr. Elliott noted that the removal of the Department of Energy's ability to recover costs associated with that portion would be helpful to the department.
- Referring to Page 2, line 17, which addresses the pilot program for microgrids, Mr. Elliott stated that moving directly into a next phase is premature. He explained that what is being contemplated is more accurately described as Phase 2 of the investigation, rather than full implementation.
- On cybersecurity, Mr. Elliott discussed distributed energy resources, noting that utilities already invest substantial resources in cybersecurity and that there is dedicated cybersecurity expertise within the agency. He suggested that cybersecurity considerations should be addressed as part of a Phase 2 approach, and that the most appropriate venue for that work would become clearer as the study progresses.

Senator Watters clarified that the intent would be to extract the cybersecurity component and incorporate it into the microgrid or related study, rather than treating it as a standalone mandate.

Senator Avard asked whether removing the trucking provisions from the bill would have any downstream impacts on the remainder of the legislation.

Mr. Elliott responded that removing the trucking section would not affect the rest of the bill.

Senator Rosenwald asked whether the Department of Energy (DOE) has a point of view on issues such as transmission corridors and port electrification.

Mr. Elliott responded that those issues are ultimately policy decisions. He stated that if the legislature directs DOE to examine them, the department will do so, and that DOE is comfortable acting as a designee for that work.

Senator McConkey asked about Page 2, line 21, concerning the DOE's pilot program, specifically inquiring about the five identified sites.

Mr. Elliott replied that the sites are identified in the existing report and offered to provide that report to the committee. Senator Watters then provided a copy of the report to the committee.

Senator Watters asked whether there is potential for investment-related research connected to these efforts.

Mr. Elliott responded yes, explaining that Business and Economic Affairs (BEA) would initially engage with the utilities, prior to DOE involvement.

Michael Ligata, Eversource Energy

- Mr. Ligata said there was a constructive conversation with Senator Watters regarding several points in the bill. On Page 2, the discussion flagged DOE administrative costs, specifically whether these costs should also be included in the utility-related provisions.
- He also addressed the section establishing changes to distribution system resilience, ensuring that the language accurately reflects the intended scope of the program.
- He brought attention to the fact that some of the language in the bill is too broad, and may need clarification or narrowing to ensure clear implementation and avoid unintended consequences.