

# Senate Energy and Natural Resources Committee

*Joshua Schauer 271-3077*

**HB 1539-FN**, authorizing electric utilities to issue AAA-rated bonds for the purpose of storm cost recovery and infrastructure resilience.

**Hearing Date:** March 10, 2026

**Time Opened:** 10:38 a.m.

**Time Closed:** 11:00 a.m.

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

**Members of the Committee Absent :** None

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

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**Sponsors:**

Rep. Vose  
Rep. Mooney  
Sen. Avard

Rep. Bernardy  
Rep. Schneller  
Sen. Watters

Rep. Harrington  
Rep. D. Thomas

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**Who supports the bill:** Representative Michael Vose (Rockingham 5), Joshua Elliot (NHDOE), Michael Licata (Eversource), Joe Casey (IBEW-Local 104), Marc Brown (Consumer Energy Alliance), Cory Stone.

**Who opposes the bill:** Jennifer Favreau, Tami Lanzillo Zeimetz

**Summary of testimony presented:**

**Michael Vose Rock 5**

- He introduced HB 1539 and provided an overview of the legislation and its intended purpose.
- He explained that the bill relates to the securitization of certain utility costs, drawing on prior experience and discussions he had on the issue with former Senate President Jeb Bradley.
- He said the goal of the bill is to expand storm recovery costs that may be securitized, particularly those associated with restoring electric service in New Hampshire following major power outages.

- He noted that when utilities incur significant costs to restore electricity after storms or other major events, they are entitled to recover those costs, as long as they are prudent, which are typically passed on to ratepayers.
- He explained that securitizing these costs through bonding would allow them to be spread out over a longer period of time, reducing the immediate financial impact so that ratepayers are not faced with large, sudden increases in distribution charges.
- He added that the bill passed the House committee unanimously and that only a minor modification was made during the committee process.

**Senator Rosenwald** asked about the title of the bill and the process for issuing the bonds, specifically whether the utilities themselves would rate the bonds or whether they would be rated by independent rating agencies.

**Rep. Vose** responded that the bonds would be rated by independent rating agencies. He explained that because utilities have a reliable mechanism for recovering costs from ratepayers, the bonds are generally viewed as stable investments. However, he noted that describing them as “triple-A” rated in the title may be somewhat optimistic.

**Senator Avard** asked whether the bill would create an opportunity to save money for ratepayers.

**Rep. Vose** confirmed that the intent of the legislation is to reduce costs for ratepayers by spreading expenses over time through securitization.

**Senator Watters** asked about the authority for using this approach and whether similar programs have been implemented in other states.

**Rep. Vose** said that Mr. Brown had testified before the committee in the House and explained that many states already allow this type of securitization. He added that those states have reported a large number of savings after implementing similar legislation.

#### **Joe Casey, National Rep for IBEW**

- Mr. Casey stated that he supported the legislation and believed it was an important step for New Hampshire in addressing the financial impacts of major storms on the electric system.
- He explained that members of his union are electrical workers employed by many of the state’s utilities and electrical contractors, and that they often serve as the first responders during power outage situations, working long hours in difficult and hazardous conditions to restore power.
- He emphasized that it was important for the state to support both electric consumers and the electrical workers responsible for maintaining and restoring the electric grid.
- He noted that the legislation would give New Hampshire utilities the ability to structure storm recovery costs in a way that helps maintain affordability for electrical customers, while still allowing utilities to respond effectively to major storm damage.

- He highlighted the importance of securitization, explaining that it would allow utilities to finance large storm-related costs over time, helping to reduce the immediate financial burden on ratepayers.
- He stated that it was important for New Hampshire to have a mechanism in place to manage and secure these costs.

**Michael Licata, Eversource**

- Mr. Licata explained that securitization is a financial tool that converts certain costs into bonds, noting that this approach has been used several times in the past for large utility expenses.
- He stated that the purpose of securitization in this case was to reduce the monthly impact on electric bills for ratepayers, since the costs could be spread out over a longer period of time and financed at lower interest rates than traditional capital recovery.
- He noted that existing state statute already authorizes the Public Utilities Commission (PUC) to review and approve certain cost recovery mechanisms, and that the legislation would simply expand those authorities to include storm cost recovery through securitization.
- He pointed out that the proposal was being considered in response to the numerous severe weather events that have occurred in recent years, which have placed increasing strain on the electric system and recovery budgets.
- He stated that the state had experienced 23 major storms in recent years, including four of the ten most impactful events, and noted that one major event alone resulted in approximately \$113 million in recovery costs after five days without power.
- He concluded that the utility was requesting the option to use securitization to help manage these storm recovery costs, emphasizing that the legislation would not weaken the regulatory review process or create a fast track, but was simply enabling legislation that would allow—though not require—utilities to use securitization if approved.

**Senator Watters** said he appreciated the concern about affordability and noted that the proposal would save money over time. He asked Mr. Licata whether moving to a 180-day timeline would reduce time pressure.

**Mr. Licata** said it would reduce pressure and that doing so was the intent of the proposal.

**Senator Rosenwald** asked what bond rating the utility currently held.

**Mr. Licata** said the rating was double-B.

**Senator Rosenwald** then asked how the utility would be able to issue triple-A bonds with that rating.

**Mr. Licata** explained that once the Public Utilities Commission (PUC) made a prudency determination, the bonds would be issued through a separate PUC-approved charge. He said the bonds would not be issued directly by Eversource but through a special-purpose entity.

**Senator Pearl** asked about the process.

**Mr. Licata** explained that the company first charged storm costs and then filed with the commission afterward for a prudency review. The commission used a formula to determine which costs were prudent. The utility then bundled the recoverable and prudent costs and made another filing. The PUC would review the filing and issue a determination.

**Senator Pearl** asked whether this would occur annually.

**Mr. Licata** said he would likely bundle two years of costs together, but the costs would still be issued as a single bond.

**Senator Pearl** then asked what a typical year looked like in terms of costs.

**Mr. Licata** said the average was about \$17 million per year, though costs had ranged from about \$14 million to \$45 million, with some years around \$22 million, based on past experience.

**Senator Pearl** asked about the current year.

**Mr. Licata** said it had been a normal year.

**Joshua Elliot, Department of Energy**

- Mr. Elliot testified that the department was neutral on the bill, describing it as purely enabling legislation that could potentially reduce costs for both utilities and ratepayers.
- He referenced page 2, line 10 and the following section, explaining that the bonds must be in the best interest of retail customers. The language envisions a scenario where the bond rate could be lower than the utility's typical financing costs. The utility would have the ability to review the proposal and reject it if it was not beneficial, while giving the Public Utilities Commission (PUC) flexibility to use the mechanism when appropriate.

He also emphasized that the bill does not guarantee the issuance of triple-A rated bonds.