

# Senate Energy and Natural Resources Committee

*Max Taylor 271-1403*

**SB 234-FN**, relative to the electric assistance program.

**Hearing Date:** February 18, 2025

**Time Opened:** 9:42 a.m.

**Time Closed:** 9:55 a.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 an advisory council for the electric assistance program.
- II. Caps the system benefits charge for the program at 2 mills (or 0.2 cents) per kilowatt-hour, with adjustments based on the Consumer Price Index.

The bill is a request of the office of the consumer advocate.

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**Sponsors:**

Sen. Watters

Sen. Rosenwald

Rep. Caplan

Rep. Muns

Rep. McGhee

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**Who supports the bill:** Senator David Watters (District 4), Stephen Tower (NH Legal Assistance), Dan Wise (NH Commission on Aging)

**Who opposes the bill:** None.

**Who is neutral on the bill:** Megan Stone (Department of Energy)

**Summary of testimony presented in support:**

**Senator David Watters**

**Prime Sponsor, Senate District 4**

- Senator Watters introduced SB 234-FN, which proposes shifting the administration of the Electric Assistance Program to the Department of Energy.
- The bill would increase the funding for the Electric Assistance Program from 1.5 mills per kilowatt-hour to 2 mills per kilowatt hour, to provide additional assistance to qualifying residents.

- Senator Watters highlighted that rising energy costs, severe winter weather, and uncertainties surrounding federal funding are important reasons to reconsider the adequacy of current funding.

### **Steve Tower**

#### **New Hampshire Legal Assistance, Managing Attorney**

- Mr. Tower testified in support of SB 234-FN, citing his extensive experience with the Electric Assistance Program as a member of the current Electric Assistance Program Advisory Board.
- New Hampshire Legal Assistance supports codifying the Electric Assistance Program into statute but noted that SB 236-FN does not include this provision.
- Mr. Tower highlighted the importance of the advisory board, which consists of utilities, consumer advocates, representatives of the Department of Energy, municipal welfare administrators, and low-income advocates.
- Mr. Tower emphasized that policy decisions made by the board have been consensus driven over the past decade.
- Mr. Tower stated the advisory board should continue under the administration of the Department of Energy, as it would ensure broad stakeholder representation.
- Mr. Tower highlighted that an external review found no immediate need to increase benefits, but past energy price spikes have led to funding shortages, requiring emergency state intervention.
- Mr. Tower emphasized increasing the system benefits change cap provides the Department of Energy with financial flexibility, which reduces the need for legislative intervention in the event of future funding shortfalls.
- Senator Rosenwald asked for clarification on whether bill requires the system benefits change to be increased to 2 mills or if it simply sets a ceiling.
  - Mr. Tower confirmed that the bill only sets a maximum limit at 2 mills, meaning the Department of Energy would have the flexibility to adjust the charge as needed but would not be required to raise it.

**Summary of testimony presented in opposition:** None.

#### **Neutral Information Presented:**

### **Megan Stone**

#### **New Hampshire Department of Energy, Legislative Liaison**

- Ms. Stone testified that the Department of Energy is neutral on SB 234-FN.
- Ms. Stone explained that the Electric Assistance Program is currently overseen by the Public Utilities Commission but noted that other assistance programs, such as fuel assistance and weatherization, were transferred to the Department in 2021.

- The Department of Energy supports moving the Electric Assistance Program under its administration, aligning with its existing programs and expertise.
- Ms. Stone highlighted concerns of the Department regarding SB 234-FN. The bill would change the program year start date from October 1<sup>st</sup> to November 1<sup>st</sup>. The Department is concerned this would create a one-month funding gap, leaving no administrative budget during that period.
- Additionally, SB 234-FN codifies the Electric Assistance Advisory Council in statute, while the Department would prefer to maintain flexibility. If future adjustments are needed, the Department would rather use a hearing process instead of requiring a legislative change, which may not align with program timelines.
- Senator Watters asked Ms. Stone to clarify potential issues related to the program year change.
  - Ms. Stone confirmed that moving the state date to November 1<sup>st</sup> would leave a funding gap for October, meaning no administrative budget would be available for that month.
- Senator Watters asked whether the Department of energy believes the increase in the system benefits change to 2 mills is necessary.
  - Ms. Stone reiterated that the Department is comfortable with the current 1.5 mills but believes the decision to raise it should be left to the legislature.

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Date Hearing Report completed: February 25, 2025