

Senate Energy and Natural Resources Committee

Max Taylor 271-1403

SB 237, relative to the office of the consumer advocate and the site evaluation committee.

Hearing Date: March 4, 2025

Time Opened: 10:26 a.m.

Time Closed: 10:54 a.m.

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

Members of the Committee Absent : None

Bill Analysis: This bill adds the interests represented by the consumer advocate into the definition of "material interest" resulting in the consumer advocate having a role in the proceedings of the site evaluation committee, particularly in matters affecting residential utility consumers.

Sponsors:

Sen. Watters

Sen. Rosenwald

Sen. Altschiller

Sen. Perkins Kwoka

Rep. Cormen

Rep. McGhee

Who supports the bill: Senator David Watters (District 4), Don Kreis (Consumer Advocate)

Who opposes the bill: Griffin Roberge (Eversource)

Who is neutral on the bill: Chris Ellms (New Hampshire Department of Energy)

Summary of testimony presented in support:

Senator David Watters

Prime Sponsor, Senate District 4

- Senator Watters introduced SB 237, which pertains to the Office of the Consumer Advocate and the Site Evaluation Committee.
- Senator Watters explained that the bill makes minor language adjustments, such as adding the word “facilities” on Page 5 and in Lines 15-17 to include “for purposes of this paragraph material interest includes, but it’s not limited to the interest represented by the consumer advocate pursuant to RSA 363:28.”

- Senator Watters emphasized the importance of the Office of the Consumer Advocate, highlighting its legal expertise and ability to represent consumers in the state's energy-related matters.
- Senator Watters referenced past efforts to reform the Site Evaluation Committee and state that, in hindsight, this change should have been included in previous discussions on shifting responsibilities within the Site Evaluation Committee.
- He noted that while the Public Utilities Commission has a public attorney and holds hearings on these issues, the specialized expertise of the Consumer Advocate in electricity pricing is unique and necessary.
- Senator Watters stated that for the protection of New Hampshire consumers, the Consumer Advocate should play a role in energy generation, distribution, and transmission decisions.

Donald Kreis

The Office of the Consumer Advocate

- Mr. Kreis stated his support for SB 237.
- He explained that the bill was introduced at his request and would clarify the Consumer Advocate's ability to participate in Site Evaluation Committee proceedings.
- Mr. Kreis argued that the Site Evaluation Committee statute should already allow for his office's participation, but the Site Evaluation Committee has interpreted the law differently, preventing the Consumer Advocate from being involved in key energy infrastructure decisions.
- Mr. Kreis referenced the X178 transmission project, a \$400 million investment by Eversource in western New Hampshire, and explained that neither the Federal Energy Regulatory Commission nor ISO New England is reviewing these projects. Thus, the Site Evaluation Committee is the only body with potential oversight.
- Mr. Kreis criticized the Site Evaluation Committee for rejecting his office's request to intervene in the X178 project, citing a Site Evaluation Committee member's statement that the committee functions as a land-use board rather than an energy oversight body.
- He countered that the Site Evaluation Committee's enabling statute makes clear that energy facility siting is about more than land use, it involves broad public policy considerations, including ratepayer impacts.
- He stated that participation from the Consumer Advocate would not slow Site Evaluation Committee proceedings, emphasizing that his office is not obstructionist but focused on ensuring projects are justified and beneficial to ratepayers.

- Mr. Kreis emphasized that his office understands the state’s need for energy infrastructure and could support Site Evaluation Committee projects if they benefit ratepayers by ensuring safe, reliable service at the lowest cost.
- He clarified that the Consumer Advocate would not participate in every Site Evaluation Committee case, particularly those involving merchant facilities that do not involve ratepayers. However, projects such as X178, which he projected would pass \$40 million in costs onto New Hampshire consumers, require his office’s involvement.
- Mr. Kreis stated that Site Evaluation Committee projects should not be justified, not just approved without scrutiny, and urged support for the bill to ensure the Consumer Advocate has a voice in energy infrastructure decisions.

Summary of testimony presented in opposition:

**Griffin Roberge
Eversource Energy**

- Mr. Roberge stated that Eversource opposes SB 237.
- He emphasized that under current law, the Attorney General appoints a Counsel for the Public to represent the public interest in Site Evaluation Committee proceedings, noting that this individual is an automatic party to all Site Evaluation Committee cases and has the ability to hire consultants to provide expert testimony.
- Mr. Roberge stated that the Site Evaluation Committee’s primary role is to review energy facility siting proposals for technical and financial feasibility, environmental impact, and alignment with state and local interests, and that it does not have authority over utility ratemaking.
- He argued that concerns regarding electric transmission projects should be addressed at the regional and federal levels, such as through ISO New England’s Planning Advisory Committee and the Federal Energy Regulatory Commission, which has jurisdiction over such projects.
- Mr. Roberge pushed back against the assertion that asset condition projects receive no review. He stated that Eversource has presented on its X178 transmission project three times before the Planning Advisory Committee and has provided extensive documentation, including an 11-page memo responding to stakeholder feedback.
- Mr. Roberge argued that concerns about the regulatory process stem from dissatisfaction with its outcomes rather than a lack of oversight. He highlighted that New England’s regional review process is more robust than many other parts of the country.

- He stated the X178 project is a necessary investment to upgrade a 40-plus mile transmission line from Campton to Whitefield. Additionally, he referenced the need to serve 30,000 customers in northern New Hampshire.
- He stated that the role of the Consumer Advocate is different from that of the Counsel for the Public, and that allowing the Consumer Advocate to intervene in Site Evaluation Committee proceedings could be redundant, increase costs, and delay project development.
- Mr. Roberge explained the bill could create confusion by suggesting that the legislature intends to expand the Site Evaluation Committee's authority into ratemaking, which could complicate project reviews.
- Mr. Roberge stated that SB 237 could undermine and slow the Site Evaluation Committee's review process, contradicting legislative efforts in recent years to streamline energy siting through HB 281 and HB 609.
- Senator Watters asked whether public interest, as mentioned in the Site Evaluation Committee statute, inherently includes cost considerations.
 - Mr. Roberge confirmed that public interest in the statute does include cost. Additionally, he noted that the Counsel for the Public already considers cost impacts.
- Senator Watters asked whether the appointment of a Counsel for the Public is option in Site Evaluation Committee cases.
 - Mr. Roberge clarified that the Counsel for the Public is automatically a party to Site Evaluation Committee proceedings under the current statute.
- Senator Watters asked whether the Consumer Advocate's expertise in ratepayer impacts logically justifies its participation in Site Evaluation Committee proceedings.
 - Mr. Roberge stated that cost concerns should be addressed at the regional and federal levels, noting that the Office of the Consumer Advocate and other consumer advocates have raised questions about X178 through ISO New England's process and have the option to challenge project planning at the Federal Energy Regulatory Commission.
- Senator Watters asked whether Mr. Roberge disagreed with Mr. Ellm's estimate that asset condition projects could cost New Hampshire ratepayers \$500 million.
 - Mr. Roberge stated that he could not confirm or refute the estimate.
- Senator Rosenwald asked whether the Counsel for the Public adequately considers the value of a project in terms of its long-term benefits to ratepayers.
 - Mr. Roberge stated the Site Evaluation Committee has traditionally focused on land-use impacts and the Counsel for the Public weighs the costs and benefits of projects.

- Senator Rosenwald asked if the cost of the X178 transmission project is worthwhile.
 - Mr. Roberge emphasized that the X178 transmission project is necessary due to aging infrastructure and that rebuilding it all at once is more cost-effective than a piecemeal approach.

Neutral Information Presented:

Chris Ellms

New Hampshire Department of Energy, Deputy Commissioner

- Mr. Ellms stated the Department of Energy is neutral on SB 237, noting that while the department is not a member of the Site Evaluation Committee, it is responsible for monitoring and enforcing Site Evaluation Committee certificates once they are granted.
- He emphasized the department's role as the state's energy policy agency, supporting functional and prudent siting of energy facilities.
- He stated that although he had not seen the Public Utilities Commission's letter on the bill and stated he does not see a clear issue with allowing the Consumer Advocate to participate in Site Evaluation Committee proceedings.
- Mr. Ellms raised concerns about the broader issue regarding asset condition projects, which are maintenance-based transmission projects replacing obsolete infrastructure rather than creating new lines.
- He stated that by 2030, 87% of New England's transmission spending is projected to be on asset condition projects, totaling \$5.4 billion.
- Mr. Ellms explained New Hampshire ratepayers could see up to \$500 million in costs from these projects by 2030, with little regulatory oversight.
- He stressed the need for greater regulatory scrutiny over these expenditures, stating that while this bill does not address the issue, it is something the state must consider in the future.
- Mr. Ellms concluded that regulatory oversight is critical tool to ensure necessary projects are completed prudently and at a reasonable cost to consumers.