

# Senate Energy and Natural Resources Committee

*Max Taylor 271-1403*

**HB 504**, relative to the state energy policy.

**Hearing Date:** April 3, 2025

**Time Opened:** 9:20 a.m.

**Time Closed:** 10:08 p.m.

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

**Members of the Committee Absent :** Senator Avard

**Bill Analysis:** This bill revises the state energy policy to promote affordable, reliable, diverse, and secure energy resources for the health, safety, and welfare of its citizens.

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**Sponsors:**

Rep. Vose

Rep. Ammon

Rep. Berezhny

Rep. Bernardy

Rep. Cambrils

Rep. Harrington

Rep. Hill

Rep. McFarlane

Rep. Moffett

Rep. Notter

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**Who supports the bill:** Representative JD Bernardy (District 36), Representative Douglas Thomas (Rockingham County District 16)

**Who opposes the bill:** Ray Burke (NHLA), Meredith Hatfield (The Nature Conservancy), Nick Krakoff (CLF), Sam Evans-Brown (Clean Energy NH)

**Who is neutral on the bill:** Josh Elliot (NH DOE)

**Summary of testimony presented in support:**

**Representative Doug Thomas**

**Rockingham County District 16**

- Representative Thomas introduced HB 504 on behalf of Representative Michael Vose, the prime sponsor.
- He explained the bill would update New Hampshire's existing one-sentence energy policy with a more detailed and prescriptive policy framework.
- He stated the bill passed the house by a vote of 204-165 and aims to provide clearer goals for state energy regulators, including the Department of Energy and the Public Utilities Commission.

- He highlighted key elements of the revised policy, including an “all of the above” energy strategy focused on affordability, reliability, diversity, and security.
- Representative Thomas emphasized the bill supports a commitment to energy independence by removing regulatory barriers and supporting market-based solutions and promotes energy conservation and efficiency guided by market transformation.
- He emphasized the urgency of addressing grid reliability, citing three consecutive years of warnings from North American Electric Reliability Corporation about increasing risks due to premature fossil fuel plant retirements and growing dependence on intermittent renewable energy.
- Senator Rosenwald asked why the bill does not reference clean energy, especially since it is a priority in the state’s 10-year energy plan.
  - Representative Thomas responded that clean energy is addressed in HB 189 and suggested it may not need to be repeated in HB 504. However, he expressed openness to considering the addition.
- Senator Rosenwald asked what the bill is intended to do to improve public health, referencing New Hampshire’s high childhood asthma rates.
  - Representative Thomas responded that reliable energy access contributes to public health by ensuring homes are heated and powered for medical needs.
  - Representative Thomas added that if individuals are kept healthy through reliable energy, it reduces hospital burden, which benefits the broader population.
- Senator Rosenwald followed up by distinguishing individual health from public health, questioning whether the bill addresses the health of the population as a whole.
  - Representative Thomas stated that protecting individual health ultimately supports public health by reducing the strain on the healthcare system.
- Senator Watters asked about the reference to RSA 362-F, which includes renewable energy goals and fossil fuel reduction.
  - Representative Thomas said he could not speak to the bill sponsor’s intent but acknowledged the interpretation was reasonable and deferred the question to Representative Vose.
- Senator Watters asked about the undefined term “secure energy,” which appears in the bill but not in RSA 362-F.
  - Representative Thomas suggested it could refer to sustainable or cybersecurity-protected energy, but acknowledged the term is currently undefined and agreed it merits further discussion.

- Senator Watters asked whether reliability includes renewable energy combined with storage.
  - Representative Thomas stated this was a subject of ongoing discussion, referencing SB 233, and noted that batteries can help mitigate renewable energy’s intermittency, making it a topic worth further consideration.
- Senator Watters asked about the bill’s reference to “market principles” and “market transformation”.
  - Representative Thomas responded that the intent is to emphasize free-market solutions over government mandates, but again deferred to Representative Vose for a definitive explanation.
- Senator Watters asked if there is really a free market, given federal subsidies for fossil fuels and other energy sectors.
  - Representative Thomas acknowledged the influence of federal policy and reiterated that HB 504 speaks to state-level policy, not federal frameworks, and again deferred to the bill sponsor for further clarification.

**Representative Bernardy  
Rockingham County District 36**

- Representative Bernardy clarified energy policy language and responded to questions raised by Senator Watters and Senator Rosenwald.
- He acknowledged that New Hampshire operates in a highly constrained and regulated energy market but emphasized that the state still has the ability to make policy choices that influence which technologies are promoted.
- Representative Bernardy provided an example of time-of-use metering, which would allow customers to save money by using electricity during off-peak hours. He noted that implementing the required metering infrastructure would be expensive and could impact all ratepayers.
- He stated that market-based decisions, like whether the benefits of time-of-use metering outweigh the costs, are the types of discussions sponsors of HB 504 seek to encourage.
- He emphasized that the bill aims to ensure New Hampshire energy policy reflects basic economic signals, rather than supporting programs solely because they appear beneficial on the surface.
- Senator Watters asked if the reference to market transformation and principles in HB 504 intend to encourage market-driven decisions such as time-of-use metering.
  - Representative Bernardy confirmed, explaining the bill promotes thoughtful evaluation of costs and benefits when developing state energy policy.

- Senator Rosenwald asked if the stated should promote weatherization programs to help people reduce heating costs and improve public health.
  - Representative Bernardy responded that weatherization is a valid tool in the broader energy strategy.
  - Representative Bernardy explained that Section V of the bill calls for balancing multiple factors, including environmental concerns, market signals, prices, reliability, and public health. He stated weatherization fits into that balancing framework but is not the sole focus.

**Summary of testimony presented in opposition:**

**Meredith Hatfield**

**The Nature Conservancy**

- Ms. Hatfield stated that The Nature Conservancy appreciates certain improvements made to HB 504 but continues to have significant concerns about the bill’s potential impact.
- She noted that New Hampshire has had a clear a concise energy policy since the early 1990s, which already includes references to public health and the environment. She stated that language is preserved in HB 504 and supported by The Nature Conservancy.
- She highlighted changes to the bill she believed to be beneficial, such as the addition of the word “diverse,” which she interpreted as supporting fuel diversity, and minor edits that added clarity and acknowledged broader policy considerations.
- She expressed concern that the bill could undermine New Hampshire’s successful energy efficiency programs, particularly New Hampshire Saves.
- Ms. Hatfield stated that she and her organization would welcome the opportunity to work with the sponsors, committee, and stakeholders to refine the bill’s language and ensure it aligns with long-standing energy policy goals.
- She emphasized that references to public health in RSA 378:37 are important, as they allow advocates to raise related concerns during Public Utilities Commission proceedings, even though the Public Utilities Commission and Department of Energy focus primarily on economic regulation.
- She added that past participation by the Department of Environmental Services in Public Utilities Commission proceedings has been helpful and should continue to inform policy discussions on health and environmental impacts.
- Ms. Hatfield responded to transmission cost concerns by clarifying that when states like Massachusetts pursue clean energy transmission projects, such as

the Maine clean Energy Connect, Massachusetts ratepayers cover the cost, not New Hampshire ratepayers.

- She urged the Department of Energy to deploy the roughly \$20 million currently sitting in the Renewable Energy Fund to help Granite Staters lower their energy bills.

## **Nick Krakoff**

### **Conservation Law Foundation**

- Mr. Krakoff stated HB 504 would move New Hampshire energy policy in the wrong direction by undermining existing statutory balance and favoring fossil fuel resources.
- He noted that similar language was proposed and rejected in HB 1623 last year, and he urged the committee to reject HB 504 for the same reasons.
- Mr. Krakoff stated the current state energy policy in RSA 378:37 strikes an effective balance among competing priorities and that there is no compelling reason to amend it.
- He criticized HB 504's language, which claims to promote technological neutrality but then emphasizes "reliable, on-demand, and firm resources," which he argued is code for fossil fuels, particularly natural gas and oil.
- Mr. Krakoff stated that although the bill mentions "diverse" energy resources on Page 1, Line 6, it repeatedly emphasizes affordability, reliability, and security, which he said devalues the principle of fuel diversity.
- He explained that fuel diversity is a key component of current policy and helps protect New Hampshire consumers by reducing dependence on energy from out-of-state sources and limiting exposure to fossil fuel price volatility, which caused significant price spikes for electricity and heat two winters ago.
- Mr. Krakoff challenged the assumption that fossil fuels are more reliable than renewables, citing Winter Storm Elliott as an example, when several natural gas and oil plants failed to operate, despite being expected to provide backup power.
- He argued that renewables paired with storage can be highly reliable, referencing multiple studies showing that increased offshore wind can help prevent blackouts during winter.
- Mr. Krakoff concluded by referencing testimony from Gordon van Welie, President and CEO of ISO-New England, who told Congress that offshore wind provides steady energy during winter and helps relieve stress on natural gas pipelines. He stated this shows the reliability value of renewable energy and urged the committee to reject HB 504.

**Sam Evans-Brown**  
**Clean Energy NH**

- Mr. Evans-Brown stated that HB 504 has improved significantly since it was introduced last year but remains concerned with Section III and Section IV of the bill.
- He specifically pointed to Section IV as appearing to be a continuation of efforts to undermine the New Hampshire Saves energy efficiency program.
- Mr. Evans-Brown urged the committee to consider the realities of energy markets, especially in the electric sector, which he described as young and highly artificial.
- He explained that electricity markets were entirely controlled by monopoly utilities until 20-30 years ago, and current markets administered by ISO-New England are not free markets in the classical economic sense.
- He argued that simply saying policy should be guided by market forces, as HB 504 does, without taking action to enable those forces, effectively means doing nothing to correct distortions or create necessary market signals.
- Mr. Evans-Brown noted that recent legislative efforts to introduce more market forces into the utility sector were rejected by the House, further demonstrating a disconnect between stated goals and actual policy decisions.

**Neutral Information Presented:**

**Josh Elliott**  
**New Hampshire Department of Energy**

- Mr. Elliott stated the Department of Energy is neutral on HB 504.
- He explained the existing RSA 378:37 is a single, length sentence, and HB 504 proposes a more detailed and structured version of the state's energy policy goals.
- Mr. Elliott stated the updated statute would have the most impact on the development of the State Energy Strategy, as well as the regional energy and transmission policy, especially as it relates to cost-sharing with other New England states through ISO-New England.
- He noted that New Hampshire ratepayers currently pay around 9% of the costs for regional transmission projects, regardless of where the project is located.
- He emphasized that HB 504 provides legal clarity to protect New Hampshire from covering the cost of policy-driven projects in other states, unless the project is for reliability safety, or necessary renewal of infrastructure.
- Mr. Elliott clarified that the bill is technology neutral, as it does specify energy types but instead focuses on resource attributes like affordability, reliability, and security. He stated that renewables could qualify if they meet those criteria.

- Senator Watters questioned the relevance of Mr. Elliott’s comments on transmission costs to HB 504.
  - Mr. Elliott pointed to Section VI, Line 24, which references protecting the state’s interests in federal matters, and explained that transmission cost protection is one such interest.
- Senator Watters asked if New Hampshire might be paying a larger share of regional costs because other states are investing more in distributed energy resources.
  - Mr. Elliott stated that while efficiency and distributed generation can reduce transmission costs, large-scale policy-driven procurements often require significant transmission upgrades, which HB 504 aims to shield New Hampshire ratepayers from funding.
- Senator Watters asked whether the bill’s phrasing defines reliable energy as only ‘on-demand and firm” resources, potentially excluding renewables and renewables with storage.
  - Mr. Elliott responded no, stating the phrase should not be interpreted as exclusive. He explained the list should be read in sequence and not as defining reliable strictly as on-demand and firm.
- Senator Watters asked whether the bill should include a definition of “reliable” to clarify that it can include renewables with storage or demand response.
  - Mr. Elliott said that while the current language does not exclude such resources, the legislature could add a definition if it wanted to clarify further.
- Senator Rosenwald asked about the public health references in the bill and whether the Department of Energy has the expertise to advise on that issue.
  - Mr. Elliott stated that the Department of Energy and the Public Utilities Commission are economic regulators, not environmental or health agencies.
  - He clarified that public health matters are addressed by the Department of Environmental Services and federal agencies, referencing emissions testing requirements for biomass plants and existing state and federal air quality statutes.
  - He explained that while the Department of Energy does not directly regulate public health, it works in a policy context that is consistent with health protections enforced by other agencies.