HB 246-FN - AS AMENDED BY THE HOUSE

14Feb2023... 0288h

2023 SESSION

23-0483
10/05

HOUSE BILL ***246-FN***

AN ACT relative to uses of moneys in the renewable energy fund.

SPONSORS: Rep. Notter, Hills. 12; Rep. D. Thomas, Rock. 16; Rep. Spillane, Rock. 2

COMMITTEE: Science, Technology and Energy

AMENDED ANALYSIS

This bill provides that for a 2-year period all moneys in the renewable energy fund derived from renewable energy certificates shall be used to reduce ratepayer costs, and requires the public utilities commission to open a docket to determine how renewable energy fund moneys will be distributed to ratepayers.

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Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to uses of moneys in the renewable energy fund.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Renewable Energy Fund; Use of Funds. Amend RSA 362-F:10, I to read as follows:

I. There is hereby established a renewable energy fund. This nonlapsing special fund shall be continually appropriated to the department of energy to be expended in accordance with this section; provided that at the start of the period in which there is no adopted state operating budget, the department of energy shall in a timely manner seek the approval of the fiscal committee of the general court to continue using moneys from the renewable energy fund to support renewable energy rebate and grant programs in order to ensure there are no interruptions to the programs. The state treasurer shall invest the moneys deposited therein as provided by law. Income received on investments made by the state treasurer shall also be credited to the fund. All payments to be made under this section shall be deposited in the fund.

(a) For the period of July 1, 2023 through June 30, 2025, notwithstanding paragraphs V through XI, any remaining moneys paid into the fund under paragraph II of this section shall be used by the department of energy to reduce ratepayer costs via a public utilities commission approved reduction in electric rates.

(b) Commencing July 1, 2025, any remaining moneys paid into the fund under paragraph II of this section, excluding class II moneys, shall be used by the department of energy to support thermal and electrical renewable energy initiatives. Class II moneys shall primarily be used to support solar energy technologies in New Hampshire. All initiatives supported out of these funds shall be subject to audit by the department of energy as deemed necessary. All fund moneys including those from class II may be used to administer this chapter, but all new employee positions shall be approved by the fiscal committee of the general court. No new employees shall be hired by the department of energy due to the inclusion of useful thermal energy in class I production.

2 Public Utilities Commission; Proceedings on Use of Renewable Energy Fund. Within 60 days after the effective date of this act, the public utilities commission shall open a docket to determine how the moneys in the renewable energy fund under RSA 362-F:10, as amended by this act, will be distributed to ratepayers. The public utilities commission shall complete its action on such docket within 60 days after the date the docket was opened.

3 Effective Date. This act shall take effect July 1, 2023.

LBA
23-0483
Amended 3/6/23

HB 246-FN- FISCAL NOTE

AS AMENDED BY THE HOUSE (AMENDMENT #2023-0288h)

AN ACT relative to uses of moneys in the renewable energy fund.

FISCAL IMPACT: [X] State [X] County [X] Local [ ] None

	Estimated Increase / (Decrease)			
STATE:	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**
Appropriation	$0	$0	$0	$0
Revenue	$0	$0	$0	$0
Expenditures	$0	Indeterminable Decrease	Indeterminable Decrease	$0
Funding Source:	[X] General [ ] Education [X] Highway [X] Other - Various Government Funds, Renewable Energy Fund			

COUNTY:

Revenue	$0	Indeterminable	Indeterminable	$0
Expenditures	$0	Indeterminable Decrease	Indeterminable Decrease	$0

LOCAL:

Revenue	$0	Indeterminable	Indeterminable	$0
Expenditures	$0	Indeterminable Decrease	Indeterminable Decrease	$0

METHODOLOGY:

This bill provides that for a 2-year period all moneys in the renewable energy fund derived from renewable energy certificates shall be used to reduce ratepayer costs, and requires the public utilities commission to open a docket to determine how renewable energy fund moneys will be distributed to ratepayers.

The Department of Energy assumes the intent of this bill, as amended by the House, is to require alternative compliance payments made in FY 2024 and FY 2025 by electric distribution utilities or competitive suppliers to be refunded to ratepayers through a process determined by the public utilities commission. Beginning in fiscal year 2026, alternative compliance payments made would be deposited into the renewable energy fund. The Department provided the following information concerning the fiscal impact of the bill:

- There would be no impact on State revenue as alternative compliance payments would still be made by electric distribution utilities and competitive suppliers, however those

payments for fiscal years 2024 and 2025 would instead offset electric rates rather than be deposited into the renewable energy fund.

- State expenditures from the renewable energy would likely decrease due to the redirection of revenue to the reduction of electric rates. Expenditures to reduce electric rates would increase by the same amount, resulting in zero net change. While there is a balance in the renewable energy fund, the department would likely reduce the expenditures to ensure the balance is not completely exhausted. It is assumed that the state would be eligible for any reduction in electric rates resulting from the rate reduction and therefore, state expenditures for electricity would decrease by an indeterminable amount.
- Regarding the impact on county and local revenue, the Department indicates counties and local units of government are eligible for the rebates and competitive grants from the renewable energy fund. For the counties or municipalities that applied for the grants that may no longer be available, county and local revenues would decrease.
- Regarding county and local expenditures, it is assumed both would benefit from any reduction in electric rates due to the refund of alternative compliance payments made.

The Department of Energy suggests, in order to add clarity, the following sentence be added at the end of proposed RSA 362-F:10,I (a): *"Commencing July 1, 2025 all payments to be made under this section shall be deposited in the fund."*

AGENCIES CONTACTED:

Department of Energy