Energy and Natural Resources
November 20, 2019
2019-2874s
06/10

Amendment to HB 715-FN

Amend the bill by replacing all after the enacting clause with the following:

1 Findings; Public Utilities; Energy Storage. Energy storage has the potential to increase the utilization of renewable energy in New Hampshire and improve the state's fuel diversity portfolio. Enabling greater use of renewable energy reduces air pollution, including both toxic chemicals and particulate matter, thereby lessening the electricity system's negative impacts on both public health and environmental quality. Innovative technologies like energy storage can also stimulate investment and employment in the state, thereby making a positive contribution to New Hampshire's economy. Energy storage also has the potential to significantly reduce New Hampshire's effective peak demand for electricity. For these reasons, the general court finds it is in the public interest to stimulate the deployment of energy storage in New Hampshire.

2 New Chapter; Energy Storage. Amend RSA by inserting after chapter 374-G the following new chapter:

CHAPTER 374-H

ENERGY STORAGE

374-H:1 Definitions. In this chapter:

I. "Commission" means the public utilities commission.

II. "Behind-the-meter storage" means an energy storage project that is installed on a retail electricity customer's premises and is electrically connected to the customer's side of the electric utility meter.

III. "Bring your own device" means a program for encouraging non-utility owned, and especially retail-customer owned, behind-the-meter energy storage to provide the greatest value possible to the electricity system, particularly in terms of peak reduction and avoided transmission and distribution costs.

IV. "Energy storage" means batteries, flywheels, compressed air energy systems, sensible heat storage or any other technology, system, or device capable of taking electricity and storing it as some form of energy the technology, system, or device can either convert back into electricity or use to displace an electrical load at a later time. Such term shall include standalone technologies, systems, and devices, as well as those co-located with or incorporated into a renewable energy source.

V. "Energy storage project" means an individual energy storage system or an aggregation of multiple energy storage systems.

VI. “Front-of-the-meter storage” means any energy storage that is not behind-the-meter storage.

VII. "ISO-New England" means the Independent System Operator New England or any successor entity.

VIII. "Local network service" means the term as defined in ISO-New England's transmission, markets, and services tariff, section II.

IX. "Non-utility" means any entity that is not a utility that develops, builds, owns, operates, or assists in the operation of one or more energy storage projects, including retail customers that buy behind-the-meter storage installed on their property.

X. "Peak demand" means the total combined annual coincident peak energy demand of all utility service territories in New Hampshire.

XI. "Regional network service" means the term as defined in ISO-New England's transmission, markets, and services tariff, section II.

XII. "Renewable energy source" means a Class I, Class II, or Class IV renewable energy source as defined in RSA 362-F:4.

XIII. "Utility" means any entity that distributes electricity to retail customers or owns part of the electrical transmission system in New Hampshire.

XIV. "Wholesale electricity markets" means any energy, capacity, or ancillary service market that ISO-New England operates.

374-H:2 Commission Investigation of Energy Storage.

I. Within 30 days of the effective date of this chapter, the commission shall initiate a proceeding to investigate ways to enable energy storage projects to receive compensation for avoided transmission and distribution costs, including but not limited to avoided regional and local network service charges, while also participating in wholesale energy markets. The commission shall investigate how this might be done for both utility-owned and non-utility-owned energy storage projects, as well as for both behind-the-meter storage and front-of-the-meter storage.

II. The commission’s investigative proceeding shall specifically consider the following:

(a) How public policy can best help establish accurate and efficient price signals for energy storage projects that value their ability to avoid transmission and distribution costs while simultaneously reducing wholesale electricity market prices.

(b) How to compensate energy storage projects that participate in wholesale electricity markets for avoided transmission and distribution costs in a manner that provides net savings to consumers.

(c) How best to encourage both utility and non-utility investments in energy storage projects.

(d) The costs and benefits of a potential bring your own device program; how such a program might be implemented; any statutory or regulatory changes that might be needed to create,

facilitate, and implement such a program; and whether such a program should include all distributed energy resources or be limited to distributed energy storage projects.

(e) Any statutory changes the general court should implement, including but not limited to changes to or exceptions from RSA 374-F or RSA 374-G, to enable energy storage projects to receive appropriate compensation for avoided transmission and distribution costs while also participating in wholesale energy markets.

(f) Any other topic the commission reasonably believes it should consider in order to diligently conduct the proceeding.

III. The commission shall report its findings and recommendations to the standing committees of the house of representatives and senate with jurisdiction over energy and utility matters no later than 2 years after initiating the proceeding. The report shall identify ways any recommended statutory changes can minimize any potential conflict with the restructuring policy principles of RSA 374-F.

3 Effective Date. This act shall take effect 60 days after its passage.

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AMENDED ANALYSIS

This bill requires the public utilities commission to investigate ways to enable energy storage projects to receive compensation for avoided transmission and distribution costs.