

HB 567-FN - AS INTRODUCED

2025 SESSION

25-0261

06/09

HOUSE BILL ***567-FN***

AN ACT relative to the elimination of useful thermal energy from renewable energy classes.

SPONSORS: Rep. Harrington, Straf. 18; Rep. Notter, Hills. 12; Rep. Summers, Rock. 20; Rep. D. Thomas, Rock. 16

COMMITTEE: Science, Technology and Energy

ANALYSIS

 This bill removes the inclusion of technologies producing useful thermal energy from the minimum electric renewable portfolio standards.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to the elimination of useful thermal energy from renewable energy classes.

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

1 1 Minimum Electric Renewable Portfolio Standards; Definition; Renewable Energy Source.
2 Amend RSA 362-F:2, XV to read as follows:

3 XV. "Renewable energy source," "renewable source," or "source" means a class I, II, III, or IV
4 source of electricity ~~[or a class I source of useful thermal energy]~~. An electrical generating facility,
5 while selling its electrical output at long-term rates established before January 1, 2007 by orders of
6 the commission under RSA 362-A:4, shall not be considered a renewable source.

7 2 Minimum Electric Renewable Portfolio Standards; Technologies Producing Useful Thermal
8 Removed. Amend RSA 362-F:3 to read as follows:

9 362-F:3 Minimum Electric Renewable Portfolio Standards. For each year specified in the table
10 below, each provider of electricity shall obtain and retire certificates sufficient in number and class
11 type to meet or exceed the following percentages of total megawatt-hours of electricity supplied by
12 the provider to its end-use customers that year, except to the extent that the provider makes
13 payments to the renewable energy fund under RSA 362-F:10, II:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2025 and thereafter</u>
14 Class I	0.0%	0.5%	1%	2%	3%	3.8%	5%	6%	[15% (*)] 6%
15 Class II	0.0%	0.0%	0.04%	0.08%	0.15%	0.2%	0.3%	0.3%	[0.7%] 0.3%
16 Class III	[3.5%	4.5%	5.5%	6.5%	1.4%	1.5%	3.0%	8.0%	8.0%] 1%
17 Class IV	0.5%	1%	1%	1%	1%	1.3%	1.4%	1.5%	1.5%.

18 ~~[*Class I increases an additional 0.9 percent per year from 2015 through 2025. A set percentage~~
19 ~~of the class I totals shall be satisfied annually by the acquisition of renewable energy certificates~~
20 ~~from qualifying renewable energy technologies producing useful thermal energy as defined in RSA~~
21 ~~362-F:2, XV-a. The set percentage shall be 0.4 percent in 2014, 0.6 percent in 2015, 0.8 percent in~~
22 ~~2016, and increased annually by 0.2 percent per year from 2017 through 2023, after which it shall~~
23 ~~remain unchanged. Class II shall increase to 0.5 percent beginning in 2018, 0.6 percent beginning in~~
24 ~~2019, and 0.7 percent beginning in 2020, otherwise classes II-IV shall remain at the same~~
25 ~~percentages from 2015 through 2025 except as provided in RSA 362-F:4, V-VI.]~~

26 3 Renewable Energy Classes; Useful Thermal Removed. Amend the introductory paragraph of
27 RSA 362-F:4, I to read as follows:
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1 I. Class I (New) shall include the production of electricity ~~[or useful thermal energy]~~ from
2 any of the following, provided the source began operation after January 1, 2006, except as noted
3 below:

4 4 Renewable Energy Classes; Biomass Technologies Producing Useful Thermal Energy
5 Removed. Amend RSA 362-F:4, III to read as follows:

6 III. Class III (~~[Existing Biomass]~~ Methane) shall include the production of electricity ~~[from~~
7 ~~any of the following]~~ **from methane gas**, provided the source began operation prior to January 1,
8 2006 ~~[and except as provided in subparagraph (b)]:~~

9 ~~(a) Eligible biomass technologies having a gross nameplate capacity of 25 MWs or less.~~

10 ~~(b) Methane gas.].~~ Effective for electricity production commencing January 1, 2017,
11 methane gas shall not qualify for class III if the production is from a source or sources which began
12 operation prior to January 1, 2006 and which source exceeds, or sources exceed, a total gross
13 nameplate capacity of 10 MWs in the aggregate located at any single landfill site. All phases, stages,
14 cells, lifts, expansions, and other landfill areas shall be combined in determining the single landfill
15 site gross nameplate capacity. Only class III and potential class III eligible sources at any single
16 landfill site shall be included in determining whether the 10 MW aggregate limitation has been
17 exceeded.

18 5 Repeals. The following are repealed:

19 I. RSA 362-F:4, I(l) relative to biomass technologies producing useful thermal energy.

20 II. RSA 362-F:2, XV-a, relative to the definition of useful thermal.

21 6 Effective Date. This act shall take effect 60 days after its passage.

**HB 567-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the elimination of useful thermal energy from renewable energy classes.

FISCAL IMPACT:

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	Indeterminable Decrease (\$2.5m to \$4.5m)	Indeterminable Decrease (\$2.5m to \$4.5m)	Indeterminable Decrease (\$2.5m to \$4.5m)
<i>Revenue Fund(s)</i>	Renewale Energy Fund			
Expenditures*	\$0	Indeterminable Decrease (\$2.5m to \$4.5m)	Indeterminable Decrease (\$2.5m to \$4.5m)	Indeterminable Decrease (\$2.5m to \$4.5m)
<i>Funding Source(s)</i>	General Fund, Highway Fund, and Various Agency Funds			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	\$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	\$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease

METHODOLOGY:

This bill amends the Renewable Portfolio Standards (RPS) by redefining "renewable energy source" to exclude technologies producing useful thermal energy. It adjusts the percentage requirements for Class I, II, III, and IV renewable energy sources, effectively lowering the obligations for electricity providers to obtain Renewable Energy Certificates (RECs) or make Alternative Compliance Payments (ACPs), reverting back to roughly the 2015 standard, with the except of Class III. Additionally, it removes biomass technologies producing useful thermal energy from eligible Class III sources and repeals related definitions and provisions.

The Department of Energy states this bill reduces the percentage requirements for RPS compliance, leading to decreased costs for electricity providers, which are typically passed on to ratepayers. Based on CY 2023 data, ACP payments would decrease by approximately \$4.5 million, and REC costs would drop by about \$16 million. However, these figures are subject to fluctuations based on market conditions.

- **State Revenue:** Indeterminable decrease, estimated at more than \$2.5 million. ACPs for Class I Thermal have been the largest contributor to the Renewable Energy Fund (REF) over the past six years, while Class III contributions have varied. Based on CY 2023 data, the reduction in ACP revenue to the state could total approximately \$4.5 million.
- **State Expenditures:** Reduced ACP revenues would lead to a corresponding decrease in expenditures on programs funded by the Renewable Energy Fund. Additionally, using electricity consumption data from the Department of Administrative services, the state accounts for approximately 1% of total electricity purchased. Using CY 2023 data, this could result in an estimated \$205,000 reduction in electricity costs for the state. However, this may be off set by reductions in costs from utility purchases which would directly benefit the state, but potential savings from competitive suppliers or community aggregators remain indeterminable due to a lack of transparency in pricing structures. Overall, the expenditure decrease is indeterminable but estimated at more than \$2.5 million to \$4.5 million.
- **County and Local Expenditures:** Indeterminable decrease due to a lack of specific electricity consumption data for these entities.

AGENCIES CONTACTED:

Department of Energy