

HB 674-FN - AS INTRODUCED

2025 SESSION

25-0389

06/08

HOUSE BILL **674-FN**

AN ACT relative to non-wire alternatives, time-of-use tariffs, and multi-year rate settings.

SPONSORS: Rep. Caplan, Merr. 8; Rep. Bixby, Straf. 13; Rep. Cormen, Graf. 15; Rep. McGhee, Hills. 35; Rep. Parshall, Ches. 8; Rep. Schmidt, Straf. 14; Rep. W. Thomas, Hills. 12; Sen. Altschiller, Dist 24; Sen. Watters, Dist 4

COMMITTEE: Science, Technology and Energy

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ANALYSIS

This bill:

I. Defines non-wire alternatives, time-of-use pricing, and time-of-use tariffs.

II. Requires the department of energy and public utilities commission to regulate non-wire alternatives, time-of-use pricing, time-of-use tariffs, and multi-year rate cases.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Five*

AN ACT relative to non-wire alternatives, time-of-use tariffs, and multi-year rate settings.

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

1 1 New Section; Non-Wire Alternatives; Time-of-Use Pricing; Rulemaking. Amend RSA 378 by  
2 inserting after section 42-a the following new section:

3 378:42-b Non-Wire Alternatives; Time-of-Use Pricing; Rulemaking.

4 I. In this section:

5 (a) "Non-wires alternative" or "NWA" means any electrical grid investment including  
6 grid enhancements that are intended to defer or remove the need to construct or upgrade  
7 components of a distribution and transmission system and may also include distributed energy  
8 resources as authorized under RSA 374:G.

9 (b) "Time-of-Use pricing" means an electric rate schedule that adjusts the price of  
10 electricity based on load demand.

11 (c) "Time-of-Use tariffs" means sending price signals that reflect system conditions.

12 II. Regulated state electric default service provider utilities undergoing integrated  
13 distribution planning in accordance with RSA 378:38 shall include procurement of cost effective non-  
14 wires alternatives, including interconnection of distributed energy resources as authorized under  
15 RSA 374:G, to the maximum extent that NWAs provide system resilience, reliability, and defer or  
16 remove the need to construct or upgrade components of the electrical distribution or transmission  
17 system.

18 III. The department of energy and public utilities commission, in accordance with RSA 541-  
19 A, shall:

20 (a) Set rules for procurement processes to include competitive and transparent  
21 procurement by utilities of NWAs, based on an analysis of capital costs and demand savings  
22 associated with each NWA project.

23 (b) Require default service provider utilities to establish fair and reasonable time-of-use  
24 tariffs for seasonal and daily peak and off-peak usage for all classes of commercial and residential  
25 customers. This shall include programs for load curtailment, electric vehicle charging, and energy  
26 storage system services. As part of any time-of-use pricing system, default service utilities shall  
27 provide customers with AMI smart meters upon request. Such smart meters shall be capable of  
28 providing customers with real-time, on-demand data. Utilities shall calculate all applicable capital  
29 costs and demand savings associated with smart metering programs in their rate cases, as specified  
30 in RSA 374:62, III.

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1           (c) Set rate cases in accordance with RSA 378:7, ensuring that rates for state electric  
2 default service customers are established every 5 years. Such rates shall be based on a combination  
3 of historic cost of operations, realized NWA procurements, and load servicing and infrastructure  
4 investment projections. Five-year rate cases may be supplemented by interim rate setting in  
5 response to unanticipated changes, such as variations in the rate of inflation, generation  
6 procurement and distribution costs, or other emergency relief sought by the default service utilities.

7           (d) Determine a formula and a process as part of a multi-year rate case to settle any cost  
8 savings above and beyond projections of costs made as part of a previous rate case. Such a formula  
9 and process will be set in order to share the savings equitably between utilities and ratepayers and  
10 incentivize cost savings by the utilities.

11           2 Effective Date. This act shall take effect January 1, 2026.

**HB 674-FN- FISCAL NOTE**  
**AS INTRODUCED**

AN ACT relative to non-wire alternatives, time-of-use tariffs, and multi-year rate settings.

**FISCAL IMPACT:** This bill does not provide funding.

<b>Estimated State Impact</b>				
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Revenue</b>	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
<b>Expenditures*</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Funding Source(s)</i>	General Fund, Highway Fund, and Various Agency Funds			
<b>Appropriations*</b>	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

\*Expenditure = Cost of bill

\*Appropriation = Authorized funding to cover cost of bill

<b>Estimated Political Subdivision Impact</b>				
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>County Revenue</b>	\$0	\$0	\$0	\$0
<b>County Expenditures</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<b>Local Revenue</b>	\$0	\$0	\$0	\$0
<b>Local Expenditures</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

**METHODOLOGY:**

This bill mandates that electric distribution utilities providing default energy service integrate cost-effective non-wires alternatives (NWAs) into their integrated distribution plans. Additionally, it requires the Department of Energy and the Public Utilities Commission to establish rules ensuring that NWAs are procured competitively and transparently.

To enhance energy efficiency and grid reliability, electric distribution utilities must offer time-of-use (TOU) rates to all customer classes. These TOU programs will include incentives for load curtailment, electric vehicle charging, and energy storage. Customers opting into TOU pricing can request an Advanced Metering Infrastructure (AMI) meter, which the utility must provide.

The bill also modifies the rate-setting process for state electric default service customers. It clarifies that distribution service rates—not default energy service rates—will be set every five years, extending the minimum period between utility rate cases from two years to five years. However, utilities can seek interim adjustments to address unforeseen cost changes. Additionally, any cost savings realized over the five-year period must be equitably shared between the utility and its customers.

The Department of Energy states the fiscal impact on the state is indeterminable. Two of the three regulated electric distribution utilities currently lack AMI metering systems. Transitioning from Automated Meter Reading (AMR) to AMI metering and billing will require substantial investments. A 2013 estimate from Eversource placed the cost of an AMR installation project at \$42.3 million, including \$3.3 million for IT upgrades. While the cost of upgrading to AMI remains uncertain, these expenditures would ultimately be recoverable through electric rates. Given that the state accounts for approximately 1% of total electricity consumption, it would likely bear 1% of the resulting cost increase.

The impact on county and local government expenditures is also indeterminable. The Department of Energy lacks comprehensive data on electricity consumption at the county and local levels, preventing an accurate cost estimate. However, as these entities consume electricity, they will likely experience an increase in rates similar to that of the state, depending on their electricity usage and the overall cost of AMI implementation.

The Public Utilities Commission (PUC) states this bill includes language in Section III(c) stating that “the Department of Energy and the Public Utilities Commission, in accordance with RSA 541-A, shall... (c) Set rate cases in accordance with RSA 378:7, ensuring that rates for state electric default service customers are established every five years.” The PUC states under current law, the PUC is responsible for adjudicating utility rate cases, while the Department of Energy does not have the authority to set rate cases. Additionally, default service rates for electric customers are presently adjusted every six months to reflect market price fluctuations, a practice in place since the early 2000s.

The PUC notes transitioning to a five-year rate-setting period could create challenges in accurately forecasting electricity market prices over such an extended time frame and electricity prices fluctuate significantly within a five-year period, default service customers could experience rate volatility, potentially resulting in higher costs or stranded financial obligations. The financial impact on ratepayers is indeterminable but could be significant if long-term pricing does not align with actual market conditions.

**AGENCIES CONTACTED:**

Department of Energy and Public Utilities Commission

