SB 228-FN - AS INTRODUCED

2025 SESSION

25-1047
06/09

SENATE BILL ***228-FN***

AN ACT relative to the limitations on community customer generators.

SPONSORS: Sen. Watters, Dist 4; Sen. Avard, Dist 12; Sen. Sullivan, Dist 18; Sen. Rosenwald, Dist 13; Sen. Fenton, Dist 10; Sen. Altschiller, Dist 24; Rep. McGhee, Hills. 35; Rep. Caplan, Merr. 8; Rep. Cormen, Graf. 15

COMMITTEE: Energy and Natural Resources

ANALYSIS

This bill:

I. Modifies the scope and capacity limits of the community solar projects, as well as the terminology used to describe the beneficiaries.

II. Places limits on the size of the solar arrays for low-moderate income community solar projects.

III. Ensures that group net metering members can sign agreements with multiple group hosts, regardless of on-bill crediting participation, as long as the combined load doesn't exceed their total load.

IV. Expands the definition of "political subdivision" to include not-for-profits, while removing the previous specification about special purpose entities.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

25-1047
06/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to the limitations on community customer generators.

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

1 Net Energy Metering. Amend RSA 362-A:9, XIV(a) to read as follows:

XIV.(a) A customer-generator may elect to become a group host for the purpose of reducing or otherwise controlling the energy costs of a group of customers [~~who are not customer-generators, except that a political subdivision, as defined in RSA 362-A:1-a, II-c, or the owner of a facility described in RSA 362-A:9, XX, that is a customer-generator, may participate as a group member~~]. The group of customers shall be located within the service territory of the same electric distribution utility as the host. The host shall provide a list of the group members to the commission and the electric distribution utility and shall certify that all members of the group have executed an agreement with the host regarding the utilization of kilowatt hours produced by the eligible facility and that the total historic annual load of the group members together with the host exceeds the projected annual output of the host's facility. The department shall verify that these group requirements have been met and shall register the group host. The department shall establish the process for registering hosts, including periodic re-registration, and the process by which changes in membership are allowed and administered. Net metering tariffs under this section shall not be made available to a customer-generator group host until such host is registered by the department.

2 New Subparagraph; Group Net Metering Agreements. Amend RSA 362-A:9, XIV by inserting after subparagraph (j) the following new subparagraph:

(k) The department shall adopt rules, pursuant to RSA 541-A, to ensure that group net metering members may sign an agreement with more than one group host regardless of whether they participate in on-bill crediting, so long as portions of that member's load which are allocated to each host, when combined, shall not exceed that member's total load.

3 Net Energy Metering. Amend RSA 362-A:9, XIV(c)(2) to read as follows:

(2) On or before July 1, 2022, the department shall report on the costs and benefits of such an addition and the development of the market for low-moderate income community solar projects, and provide a recommendation on whether the addition shall be increased or decreased. The department shall report on the costs and benefits of low-moderate income community solar projects, as defined in RSA 362-F:2, X-a on or before June 1, 2020. The department shall authorize at least 2 new low-moderate income community solar projects, as defined in RSA 362-F:2, X-a, each year in each utility's service territory beginning January 1, 2020. On an annual basis, for all group host systems except for residential systems with an interconnected capacity under 15 kilowatts, the electric distribution utility shall calculate a payment adjustment if the host's surplus generation for

which it was paid is greater than the group's total electricity usage during the same time period. The adjustment shall be such that the resulting compensation to the host for the amount that exceeded the group's total usage shall be at the [~~utility's avoided cost or its~~] default service rate in accordance with subparagraph V(b) or paragraph VI or alternative tariffs that may be applicable pursuant to paragraph XVI. The utility shall pay or bill the host accordingly.

4 Net Energy Metering. Amend RSA 362-A:9, I and I-a to read as follows:

I. Standard tariffs providing for net energy metering shall be made available to eligible customer-generators by each electric distribution utility in conformance with net metering rules adopted and orders issued by the commission. Each net energy metering tariff shall be identical, with respect to rates, rate structure, and charges, to the tariff under which a customer-generator would otherwise take default generation supply service from the distribution utility. Such tariffs shall be available on a first-come, first-served basis within each electric utility service area under the jurisdiction of the commission until such time as the total rated generating capacity owned or operated by eligible customer-generators totals a number equal to 100 megawatts, with 50 megawatts of the 100 megawatts allocated to the 4 electric distribution utilities that were subject to the commission's jurisdiction in 2010 multiplied by each such utility's percentage share of the total 2010 annual coincident peak energy demand distributed by those 4 utilities, and 50 megawatts of the 100 megawatts allocated to the state's 3 investor-owned electric distribution utilities, multiplied by each such utility's percentage share of the total 2010 annual coincident peak energy demand distributed by those 3 utilities, all to be determined by the commission and to be utilized by eligible customer-generators located within each such utilities' service territory. Eighty percent of each utility's share of the 50 megawatts shall be apportioned to facilities with a total generating capacity of not more than [~~100~~] ***500*** kilowatts and 20 percent to facilities with a total generating capacity in excess of [~~100~~] ***500*** kilowatts, but no greater than one megawatt. The 50 megawatts of capacity shall be made available to eligible customer-generators until such time as commission approved alternative net metering tariffs approved by the commission become available. No more than 4 megawatts of such total rated generating capacity shall be from a combined heat and power system as defined in RSA 362-A:1-a, I-d.

I-a. No person, owner, developer, installer of an eligible customer-generator facility, business organization, or any subsidiary thereof, shall reserve capacity space in the net metering interconnection queue of more than 20 percent of the total net metering utility-specific allocation pursuant to this section, and the creation of multiple business organizations, including a person, as defined in RSA 366:1, I, by the same shall not defeat this requirement. On a weekly basis each utility shall make public on its website its total net metering allocation, its reserved net metering capacity, and its installed and operating net metering capacity. For project applications of greater than [~~100~~] ***500*** kilowatts, each utility net metering interconnection queue application shall include a certification of compliance with the 20 percent requirement, all persons involved in such an application shall sign the certification of compliance, and no application shall be processed where one or more persons involved in the application did not sign the certification of compliance.

5 Net Metering. Amend RSA 362-A:9, III and IV to read as follows:

III. Metering shall be done in accordance with normal metering practices. A single net meter that shows the customer's net energy usage by measuring both the inflow and outflow of electricity internally shall be the extent of metering that is required at facilities with a total peak generating capacity of not more than [~~100~~] ***500*** kilowatts. A bi-directional metering system that records the total amount of electricity that flows in each direction from the customer premises, either instantaneously or over intervals of an hour or less, shall be required at facilities with a total peak generating capacity of more than [~~100~~] ***500*** kilowatts. Customer-generators shall not be required to pay for the installation of net meters, but shall pay for the installation of all bi-directional metering systems as outlined in utility interconnection tariffs or rules.

IV.(a) For facilities with a total peak generating capacity of not more than [~~100~~] ***500*** kilowatts, when billing a customer-generator under a net energy metering tariff that is not time-based, the utility shall apply the customer's net energy usage when calculating all charges that are based on kilowatt hour usage. Customer net energy usage shall equal the kilowatt hours supplied to the customer over the electric distribution system minus the kilowatt hours generated by the customer-generator and fed into the electric distribution system over a billing period.

(b) For facilities with a total peak generating capacity of more than [~~100~~] ***500*** kilowatts, the customer-generator shall pay all applicable charges on all kilowatt hours supplied to the customer over the electric distribution system, less a credit on default service charges equal to the metered energy generated by the customer-generator and fed into the electric distribution system over a billing period.

6 Definitions. Amend RSA 362-F:2, X-a to read as follows:

X-a. "Low-moderate income community solar project" means ground-mounted or rooftop solar arrays ***with a total peak generating capacity of up to and including 3 megawatts,*** that directly benefit a group of at least 5 residential end-user customers, where at least a majority of the residential end-user customers are at or below 300 percent of the federal poverty guidelines, or directly benefit the residents of a public housing authority created pursuant to RSA 203***,*** or a housing project as described in RSA 78-B:2, XXIII, where the electric bills are either paid directly by the residents or by the public housing authority or housing project, provided that at least a majority of the residents receiving the direct benefit are at or below 80 percent of the Area Median Income (AMI) calculated by the Department of Housing and Urban Development. No more than 15 percent of the projected load for such project shall be attributable to non-residential end-user customers.

7 Net Energy Metering. Amend RSA 362-A:9, XIV(e) to read as follows:

XIV.(e) The department of energy, by rule or order, shall develop a process by which community solar developers can apply for designation as a community solar project [~~for new solar~~

[~~arrays~~]. Such projects designate their production for the benefit of households on the list required in subparagraph (d). Such projects will qualify for the low-moderate income solar addition as established in subparagraph (c) and shall specify the amount of on-bill credit they can offer to low-moderate income [~~households~~] ***homeowners***. Annually, the number of projects designated as low-moderate income community solar shall not exceed a total nameplate capacity rating of [~~6~~] ***18*** megawatts in the aggregate. If more than [~~6~~] ***18*** megawatts of projects apply for designation, the department of energy shall select the projects that offer the largest on-bill credit [~~and that demonstrates project readiness~~].

8 Definitions. Amend RSA 362-A:1-a, II-c to read as follows:

II-c. "Municipal host" means a customer generator with a total peak generating capacity of greater than one megawatt and less than 5 megawatts used to offset the electricity requirements of a group consisting exclusively of one or more customers who are political subdivisions, provided that all customers are located within the same utility franchise service territory. A municipal host may be owned by either a public or private entity. For this definition, "political subdivision" means the state of New Hampshire or any city, town, county, school district, chartered public school, village district, school administrative unit, or any [~~district or entity created for a special purpose administered or funded by any of the above-named governmental units~~] ***not-for-profit educational institutions***.

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

LBA
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Revised 1/31/25

SB 228-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to the limitations on community customer generators.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2025	**FY 2026**	**FY 2027**	**FY 2028**
Revenue	$0	$0	$0	$0
Revenue Fund(s)	None			
Expenditures*	$0	Increase in excess of $104,000	Increase in excess of $105,000	Increase in excess of $108,000
Funding Source(s)	Utility Assessment, various funds			
Appropriations*	$0	$0	$0	$0
Funding Source(s)	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 Increase		
Local Revenue	$0	Indeterminable Decrease		
Local Expenditures	$0	Indeterminable Increase		

METHODOLOGY:

This bill makes changes to the statutes governing net metering, modifies the scope and capacity limits of community solar projects, as well as the terminology used to describe the beneficiaries. It places limits on the size of the solar arrays for low-moderate income community solar projects. It also ensures that group net metering members can sign agreements with multiple group hosts, regardless of on-bill crediting participation, provided that the combined load does not exceed their total load. Additionally, the bill expands the definition of "political subdivision" to include not-for-profits, while removing the previous specification about special purpose entities.

The Department of Energy indicates that this bill necessitates the hiring of a full-time Utility Analyst IV position for a cost of $104,000 in FY 2026, $105,000 in FY 2027 and $108,000 in FY 2028, with the expenses being recovered from all electric utility ratepayers via an assessment incorporated into the Department's operating budget. As a result, County and Local expenditures will increase by an indeterminable, yet de minimis amount, for the cost of the position being reflected in rates charged by utilities.

Additionally, according to electricity consumption data from the Department of Administrative Services, the state accounts for approximately 1 percent of all electricity purchases. Consequently, it could potentially experience 1 percent of any overall increase in electricity costs.

Furthermore, entities that lose eligibility to act as a municipal host are likely to face higher electricity costs, provided they cannot join a traditional group host arrangement under similar or better terms.

The New Hampshire Municipal Association has indicated that they lack the data necessary to assess whether this bill will have a fiscal impact on municipalities. Consequently, they are unable to provide any information for the fiscal note.

AGENCIES CONTACTED:

Department of Energy and New Hampshire Municipal Association