

SB 230-FN - AS INTRODUCED

2025 SESSION

25-1134

06/08

SENATE BILL        **230-FN**

AN ACT            allowing microgrids that are in the public interest.

SPONSORS:        Sen. Watters, Dist 4; Sen. Avard, Dist 12; Sen. Altschiller, Dist 24; Sen. Fenton, Dist 10; Sen. Perkins Kwoka, Dist 21; Sen. Long, Dist 20; Rep. Vose, Rock. 5; Rep. McGhee, Hills. 35

COMMITTEE:      Energy and Natural Resources

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ANALYSIS

This bill establishes definitions for microgrids and renewable resources, details the approval process for new microgrids, and outlines provisions related to the construction, maintenance, and regulation of new microgrids, ensuring they meet specific public interest and reliability standards.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 allowing microgrids that are in the public interest.

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

1 1 Precedent Established by Public Utilities Commission. The provisions of this act shall not be  
2 interpreted to modify or nullify the analytical framework and precedent for analyzing whether an  
3 entity is a transmission and distribution utility or a competitive electricity provider established by  
4 the public utilities commission in opinions and orders issued prior to the effective date of this act.

5 2 New Paragraph; Electric Utility Restructuring; Definitions. Amend RSA 374-F:2 by inserting  
6 after paragraph II the following new paragraph:

7 II-a "Small modular reactors" or "SMRs" means advanced nuclear reactors that have a  
8 power capacity of up to 300 MW per unit.

9 3 New Subparagraphs; Definitions; Exclusions. Amend RSA 374-G:2, I by inserting after  
10 subparagraph (d) the following new subparagraphs:

11 (e) "Microgrid" means a localized grid that consists of interconnected loads and  
12 distributed energy resources within clearly defined electrical boundaries. It acts as a single  
13 controllable entity with respect to the main grid and can operate in either grid-connected or island  
14 mode, including entirely off-grid applications. Microgrids improve customer reliability and resilience  
15 to grid disturbances by enabling local power generation assets, such as traditional generators,  
16 renewables, and storage, to keep the local grid running even when the larger grid experiences  
17 interruptions.

18 (f) For the purposes of RSA 374-G:11, "renewable source" means a source of electricity as  
19 defined in RSA 362-F:2, XV, that would qualify to receive renewable energy certificates under RSA  
20 362-F, whether or not it has been eligible under RSA-F:6, III, and SMRs as defined in RSA 374-F:2,  
21 II-a.

22 4 New Sections; Microgrid Activities. Amend RSA 374-G by inserting after section 7 the  
23 following new sections:

24 374-G:8 Microgrid Activities. Beginning January 1, 2026, any activities undertaken by the  
25 commission related to new microgrids, such as distributed generation as defined in RSA 374-F:2,  
26 VIII, shall include the approval status of any new microgrids.

27 374-G:9 Construction and Maintenance of Microgrid Lines.

28 I. A transmission and distribution utility, or a person that constructs, maintains, or operates  
29 a new microgrid approved in accordance with this section, may construct and maintain its lines in,  
30 upon, along, over, across, or under the roads and streets in any municipality in which it is  
31 authorized to supply electricity, subject to the conditions and restrictions provided in this chapter.

1 II. A person other than a transmission and distribution utility or a person that constructs,  
2 maintains, or operates a new microgrid approved in accordance with this section may not construct  
3 or maintain electric lines, including poles or other related structures, in, upon, along, over, across, or  
4 under a road, street, or other public way unless:

5 (a) The person satisfies the requirements of RSA 374-G:11;

6 (b) The person or the person's contractor hired to construct the line provides to the  
7 applicable licensing authority a performance bond:

8 (1) In the amount of the value of the line, including poles or other related structures,  
9 to be located in the public way; and

10 (2) That is enforceable for one year from the date the line is energized;

11 (c) Prior to constructing the line, the person notifies the transmission and distribution  
12 utility in whose service territory the line is proposed to be built of the proposed location of the line;  
13 and

14 (d) If a public utility objects to the line on the basis that it may constitute a duplication  
15 of existing transmission or distribution facilities or may interfere with the adequate and safe  
16 delivery of electricity to others, the commission issues a finding that the line is not a duplication of  
17 existing transmission or distribution facilities and does not interfere with the adequate and safe  
18 delivery of electricity to others. A finding is not required under this paragraph unless a public  
19 utility has objected in writing to the applicable licensing authority.

20 374-G:10 Public Utility Exception for Microgrids. Notwithstanding any other provision of Title  
21 XXXIV to the contrary, a person that constructs, maintains, or operates a new microgrid approved  
22 under this section does not, solely as a result of furnishing service through that new microgrid to  
23 participating consumers, become a public utility and is not subject to regulation as a public utility  
24 under this Title.

25 374-G:11 Commission Approval Requirements.

26 I. A person may not construct or operate a new microgrid without commission approval in  
27 accordance with this section.

28 II. The commission shall approve a petition to construct and operate a new microgrid if the  
29 proposed new microgrid powered by a renewable resource will serve a load of no more than 10  
30 megawatts, except that the commission may approve no more than 2 new microgrids that each serve  
31 a load greater than 10 megawatts but no more than 25 megawatts; or a project powered by an SMR,  
32 which the commission may approve no more than 2 projects:

33 (a) The proposed new microgrid will serve a total load of no more than 10 megawatts,  
34 except that the commission may approve no more than 2 new microgrids that each serve a load  
35 greater than 10 megawatts but no more than 25 megawatts or SMRs;

36 (b) The proposed new microgrid is located in the service territory of a transmission and  
37 distribution utility with more than 50,000 customers;

1 (c) The distributed energy resources for the new microgrid meet the applicable portfolio  
2 requirements in RSA 362-F and SMR;

3 (d) Any distributed energy resources constructed after the effective date of this section  
4 for the new microgrid are a renewable capacity resource or a renewable resource as defined in RSA  
5 374-G:2, I;

6 (e) The person proposing the new microgrid demonstrates that they have secured both  
7 the financial capacity and technical capability to operate the proposed new microgrid;

8 (f) There is an enforceable contractual relationship between the proposed new microgrid  
9 operator and consumers within the area to be served by the proposed new microgrid; and

10 (g) The proposed new microgrid will not negatively affect the reliability and security of  
11 the electric grid.

12 III. For the purposes of this paragraph, when determining whether a proposed new  
13 microgrid is in the public interest, the commission shall consider possible ratepayer effects, whether  
14 positive or negative; benefits due to the increased resilience or reliability of the electric grid,  
15 including energy storage of a 4-hour or longer duration; economic development benefits; service to  
16 support critical infrastructures, including but not limited to hospitals, nursing homes, grocery stores,  
17 wastewater treatment and other municipal facilities, public safety facilities, transportation  
18 infrastructure, military facilities, and data processing centers; and any other factors the commission  
19 considers necessary to promote the public interest.

20 IV. As a condition of approval of a new microgrid, the commission shall:

21 (a) Require that any increase in costs to the electric transmission and distribution  
22 system in the State as a result of the new microgrid must be fully recovered from the person  
23 approved under this subsection to construct, maintain or operate the new microgrid and customers  
24 of the microgrid and may not be passed on to other electric ratepayers; and

25 (b) Impose any other terms, conditions, or requirements on the construction,  
26 maintenance, or operation of the new microgrid as, in its judgment, it considers necessary, which  
27 may include but are not limited to parameters regarding the ability of the new microgrid to enter  
28 island mode, as defined by the commission by rule, and the operation of the new microgrid in grid-  
29 connected mode and island mode.

30 V. A new microgrid approved in accordance with this section is subject to commission  
31 oversight to ensure reliability and security of the electric grid and consumer protections for  
32 customers of the new microgrid. Services provided by a new microgrid may include, but are not  
33 limited to:

34 (a) Standby electric service, as defined by the commission by rule, when the new  
35 microgrid is operating in island mode;

36 (b) Selling electricity as a competitive electricity provider when the new microgrid is  
37 operating in grid-connected mode;

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1 (c) Participating in grid and ancillary services where applicable.

2 VI. The commission may adopt rules, pursuant to RSA 541-A, to implement this section.

3 374-G:12 Reporting Requirements. The department of energy shall submit a report by January  
4 1, 2028, to the joint standing committees of the legislature having jurisdiction over energy and  
5 utility matters detailing its activities related to new microgrids as defined in RSA 374-G:2, I,  
6 including whether any new microgrids have been approved under RSA 374-G:11. The report must  
7 also include any recommendations for legislation that may be necessary to clarify or enhance the law  
8 regarding new microgrids.

9 5 Effective Date. This act shall take effect 60 days after its passage.

**SB 230-FN- FISCAL NOTE**  
 AS INTRODUCED

AN ACT allows microgrids that are in the public interest.

**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	\$0 to under \$500,000	\$0 to under \$500,000	Indeterminable
<i>Funding Source(s)</i>	Public Utilities Commission's Budget			
<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**

**METHODOLOGY:**

The bill amends existing statutes to include definitions for "small modular reactors" (SMRs) and "microgrids," providing a framework for their approval, construction, and operation. It also outlines the responsibilities and restrictions of individuals or entities building microgrids, emphasizes renewable energy sources, and establishes Public Utilities Commission (PUC) oversight for new microgrid projects to ensure reliability, security, and consumer protection.

The Public Utilities Commission states this bill could result in a fiscal impact ranging from no impact to up to \$500,000 annually, depending on the volume of microgrid applications submitted. A significant number of applications may require hiring additional staff, such as analysts or attorneys, to manage the increase in adjudicative dockets, similar to the workload increases experienced with community power plan reviews. These additional staff members would increase the Commission's operating budget. However, if interest in microgrid creation remains low, the Commission believes the fiscal impact would be minimal.

It is assumed any additional expenditures for FY 2028 and forward would be included in the PUC's budget request for FY 2028 and FY 2029.

The Department of Energy states this bill will have not impact on their expenditures or revenues.

**AGENCIES CONTACTED:**

Department of Energy and Public Utilities Commission