

SB 234-FN - AS INTRODUCED

2025 SESSION

25-0355

06/05

SENATE BILL **234-FN**

AN ACT relative to the electric assistance program.

SPONSORS: Sen. Watters, Dist 4; Sen. Rosenwald, Dist 13; Rep. Caplan, Merr. 8; Rep. Muns, Rock. 29; Rep. McGhee, Hills. 35

COMMITTEE: Energy and Natural Resources

ANALYSIS

This bill:

- I. Establishes an advisory council for the electric assistance program.
- II. Caps the system benefits charge for the program at 2 mills (or 0.2 cents) per kilowatt-hour, with adjustments based on the Consumer Price Index.

The bill is a request of the office of the consumer advocate.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

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

1 1 Electric Utility Restructuring; Implementation. RSA 374-F:4, VIII(c) is repealed and
2 reenacted to read as follows:

3 (c) The commission shall authorize each utility subject to this chapter to recover, as
4 a portion of the system benefits charge, the cost of an electric assistance program as approved and
5 administered by the department as follows:

6 (1) To assist the department with meeting the responsibilities of this paragraph,
7 there shall be an electric assistance program advisory council, chaired by the commissioner of the
8 department or designee, and further consisting of a representative of each electric utility, a
9 representative of the office of the consumer advocate, a representative of New Hampshire Legal
10 Assistance, a representative of each of the state's community action agencies, and a representative of
11 the Local Welfare Administrator's Association.

12 (2) The electric assistance program shall operate according to a program year
13 that begins annually on November 1. On or before September 1 of each year, the electric assistance
14 program advisory council shall recommend to the commissioner a budget for the coming year and
15 any changes to program design. If the recommendation is unanimous, the commissioner shall adopt
16 it. If the recommendation is not unanimous, the commissioner shall, prior to the beginning of the
17 program year and after providing an opportunity for public comment, approve a budget and program
18 design that are consistent with the universal service provisions of RSA 374-F:3, V, and with RSA
19 369-B:1, XIII.

20 (3) The portion of the system benefits charge associated with the electric
21 assistance program shall not exceed 2 mills per kilowatt-hour for the program year beginning on
22 November 1, 2025. For subsequent program years, this limitation shall be adjusted according to the
23 most recently available consumer price index (CPI-W) as published by the Bureau of Labor Statistics
24 of the U.S. Department of Labor.

25 2 Effective Date. This act shall take effect 60 days after its passage.

**SB 234-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the electric assistance program.

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	In Excess of \$5,326,979	In Excess of \$5,326,979	In Excess of \$5,326,979
<i>Revenue Fund(s)</i>	Electric Assistance Program Dedicated Fund			
Expenditures*	\$0	In Excess of \$5,326,979	In Excess of \$5,326,979	In Excess of \$5,326,979
<i>Funding Source(s)</i>	Electric Assistance Fund Dedicated Fund, 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 Increase	Indeterminable Increase	Indeterminable Increase
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

This bill establishes an advisory council for the electric assistance program and caps the system benefits charge for the program at 2 mills (or 0.2 cents) per kilowatt-hour, with future adjustments based on the Consumer Price Index.

The Department of Energy states this bill moves all duties for the administration of the Electric Assistance Program (EAP) from the Public Utilities Commission to the Department of Energy, increases the cap on the System Benefits Charge (SBC) rate for the program, codifies the EAP Advisory Board, and moves the program year from an October 1 start date to a November 1 start date. The Department assumes it would approve increased EAP discounts by utilities roughly in line with the increase in funding.

The SBC related to the EAP is collected by utilities from ratepayers and is then distributed to low-income utility ratepayers through the use of bill discounts. Not all SBC funds that are collected are deposited into the dedicated EAP Fund, most are retained by the utilities for disbursement back to their low-income customers and for administrative costs of the EAP. The Department's analysis of the fiscal impact assumes, for simplicity, that the entire increase in funds will be deposited into the EAP Dedicated Fund. Utilities that collect more in SBC funds than they distribute through discounts or use for administrative expenses deposit the excess into the EAP Dedicated Fund. Conversely, utilities that collect less in SBC funds than they distribute to their customers through discounts or use for administrative expenses receive payment from the EAP Dedicated Fund. Again, for simplicity, this analysis assumes the entire increase in funds will be disbursed from the EAP Fund. In this manner, the EAP Dedicated Fund acts as a clearinghouse for ratepayer funds used to support the utilities' low-income assistance program. Any monies spent by the State, (which has not occurred since the inception of the EAP), must be specifically appropriated through the biennial operating budget. The Department knows of no current plans to appropriate dedicated EAP monies for expenditure by the State.

The Department indicates administration of the EAP can be done with existing resources with no additional staff needed. The only part of the bill with a cost implication is the increase of the cap on the system benefits charge associated with the EAP from 1.5 mills per kilowatt-hour up to 2 mills per kilowatt-hour, indexed to the most recently available consumer price index (CPI-W). In the most recently completed program year, (October 1, 2023 to September 30, 2024) the SBC raised \$15,987,287 in revenue. Assuming no change in the amount of electricity purchased and assuming an increase to the system benefits charge is necessary to support continued benefits to EAP participants, increasing the rate to 2 mills would raise an addition \$5,326,979. The Department does not have the data to project future inflation rates. There would be no impact on county or local revenue.

The Department assumes it would approve increased EAP discounts to enrolled low-income utility customers roughly in line with the increase in funding, which would result increased annual expenditures up to \$5,326,979, plus an inflationary adjustment, increase in spending on the program and likely commensurate distributions from the EAP Dedicated Fund back to the utilities.

Based on electricity consumption data from the Department of Administrative Services, the state is responsible for roughly 1% of all electricity purchases in the state. An increase to the system benefits charge up to the new cap of 2 mills, would therefore potentially increase state expenditures by 1% of the total increase in electricity costs, or \$53,150.

The Department of Energy does not have access to any data for the total electricity consumption for counties or local units of government and therefore cannot make a reasonable estimate as to the possible increase in county or local expenditures. Towns with municipal electric utilities would see no increase in expenditures.

The Consumer Advocate indicates this bill would transfer the responsibility to oversee the state's Electric Assistance Program from the Public Utilities Commission to the Department of Energy. The program is funded by the non-bypassable System Benefits Charge on the electric bill of all utility customers. The bill would also codify the existence and responsibilities of the program's existing advisory board. The Consumer Advocate states the bill relies on existing resources and will have no fiscal impact.

AGENCIES CONTACTED:

Department of Energy and Office of the Consumer Advocate