

**HB 365 - AS INTRODUCED**

2019 SESSION

19-0090  
06/08

HOUSE BILL **365**

AN ACT relative to net energy metering limits for customer generators.

SPONSORS: Rep. Moffett, Merr. 9; Rep. Backus, Hills. 19; Rep. Suzanne Smith, Graf. 8; Rep. P. Schmidt, Straf. 19; Rep. Danielson, Hills. 7; Rep. Wolf, Merr. 5; Rep. McWilliams, Merr. 27; Rep. O'Connor, Rock. 6; Rep. Hennessey, Graf. 1; Sen. Bradley, Dist 3

COMMITTEE: Science, Technology and Energy

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ANALYSIS

□ This bill increases the electric generating capacity of customer generators who may participate in net energy metering and modifies the transition of tariffs applicable to certain customer-generators. The bill also clarifies the definition of eligible customer-generator for purposes of the utility property tax.

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Explanation: Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears [~~in brackets and struck through~~].  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.  
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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Nineteen*

AN ACT relative to net energy metering limits for customer generators.

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

1 Findings. The general court finds that:

I. New Hampshire's electricity consumers, including municipalities, manufacturers, commercial businesses, and other large users, strongly support more competitive retail options to lower their energy costs.

II. These same consumers deserve the freedom to invest their own capital to become more self-sufficient and energy independent and less reliant on out-of-state electricity companies that control our high electricity rates.

III. ISO-New England, Inc., the independent, nonprofit regional transmission organization that oversees the operation of New England's bulk electric power system and transmission lines, has stated that infrastructure constraints could pose a challenge to the reliable operation of the regional power

grid, create price increases and volatility, and contribute to increased air emissions, all of which would adversely impact New Hampshire's citizens, businesses, and economy.

IV. The current size limit of one megawatt on customer-generators that may participate in net energy metering is an unnecessary barrier that denies larger electricity users the same rights that smaller users already have to produce and use local renewable power that reduces their energy costs, increases supply, and insulates all New Hampshire ratepayers from electric price volatility and higher transmission costs.

V. The current size limit is also a barrier to significant investment in existing and new small renewable energy projects, which would help keep our energy dollars in-state, drive economic activity, support good-paying jobs, and increase state and local business and property tax revenues.

VI. It is in the best interests of all citizens of New Hampshire that the size limit on customer-generators that may participate in net energy metering be increased from one megawatt to 5 megawatts to help mitigate the cost of electric service in the state, reduce the price volatility of that service, and reduce the potential for disruptions in electricity supply due to inadequate wholesale generating capacity in the New England marketplace.

2 Definition; Customer-generator. Amend RSA 362-A:1-a, II-b to read as follows:

II-b. "Eligible customer-generator" or "customer-generator" means an electric utility customer who owns, operates, or purchases power from an electrical generating facility either powered by renewable energy or which employs a heat led combined heat and power system, with a total peak generating capacity of up to and including [~~one megawatt,~~] **5 megawatts and** that is located behind a retail meter on the customer's premises, is interconnected and operates in parallel with the electric grid, and is used to offset the customer's own electricity requirements. Incremental generation added to an existing generation facility, that does not itself qualify for net metering, shall qualify if such incremental generation meets the qualifications of this paragraph and is metered separately from the nonqualifying facility.

3 Net Energy Metering; Net Effects. Amend RSA 362-A:9, VII to read as follows:

VII. A distribution utility may perform an annual calculation to determine the net effect this section had on its default service and distribution revenues and expenses in the prior calendar year. The method of performing the calculation and applying the results, as well as a reconciliation mechanism to collect or credit any such net effects with appropriate carrying charges and credits applied, shall be determined by the commission. ***Regardless of whether or not an annual calculation is performed, a distribution utility shall take any and all steps necessary to eliminate or mitigate the creation of any ratepayer costs that could otherwise arise as a result of the utility's handling or accounting of kilowatt-hours generated by a customer-generator and fed into the electric distribution system. Furthermore, a distribution utility shall take any and all steps necessary to handle or account for kilowatt-hours generated by a customer-generator and fed into the electric distribution system in ways that maximize ratepayer savings, including, but not limited to, peak demand savings and transmission-related savings. Such steps shall include, but not be limited to, filing new state or federal tariffs if necessary to minimize ratepayer costs and maximize ratepayer savings. A distribution utility shall demonstrate to the commission that it has taken any and all such steps to minimize ratepayer costs and maximize ratepayer savings. Such demonstration shall also be a condition of commission approval of any request to collect or credit the net effects of this section.***

4 Net Energy Metering; Transition of Tariffs. Amend RSA 362-A:9, XV to read as follows:

XV. Standard tariffs that are available to eligible customer-generators under this section shall terminate on December 31, 2040 and such customer-generators shall transition to tariffs that are in effect at that time. ***Customer-generators with a total peak generating capacity of more than one megawatt and not exceeding 5 megawatts shall be grandfathered with the net metering design and structure specified in this section through December 31, 2040 if the customer-generator's electrical generating facility first becomes operational on or after July 1, 2019. After December 31, 2040, those customer-generators shall transition to tariffs that are in effect at that time.***

5 Utility Property Tax; Definition of Eligible Customer-Generator; Exclusion Clarified. Amend RSA 83-F:1, V(d) to read as follows:

(d) The electrical generation, production, and supply equipment of an "eligible customer-generator" as defined in RSA 362-A:1-a, II-b, ***up to and including one megawatt, or up to and including 5 megawatts if the customer-generator's electrical generating facility first becomes operational on or after July 1, 2019;***

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