

SB 159 - AS AMENDED BY THE HOUSE

03/28/2019 1174s

9Jan2020... 2844h

2019 SESSION

19-0177

10/06

SENATE BILL 159

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

SPONSORS: Sen. Bradley, Dist 3; Sen. Rosenwald, Dist 13; Sen. Kahn, Dist 10; Sen. Gray, Dist 6; Sen. Fuller Clark, Dist 21; Sen. Giuda, Dist 2; Sen. Watters, Dist 4; Sen. Morse, Dist 22; Sen. Sherman, Dist 24; Sen. Carson, Dist 14; Rep. Danielson, Hills. 7; Rep. Hennessey, Graf. 1; Rep. Moffett, Merr. 9; Rep. O'Connor, Rock. 6

COMMITTEE: Energy and Natural Resources

AMENDED 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 requires that for net energy metering 50 percent of a customer generator's electricity generation be consumed behind the meter. The bill also clarifies the definition of eligible customer-generator for purposes of the utility property tax

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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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. The federal Public Utility Regulatory Policies Act (PURPA) as amended by the Energy Policy Act of 2005 calls upon states to consider the adoption and implementation of net metering policies. PURPA as amended states that electricity generated by an eligible on-site generating facility may be used to offset electric energy provided by the electric utility and allows states to define an eligible facility. Furthermore, under ISO New England's rules, a generating facility of less than 5 megawatts that is connected to the distribution grid is not required to register with ISO New England as a generator or participate in the wholesale energy markets; rather, if the generating facility elects not to register as a wholesale market participant or retires from such status, the customer generator is to be treated by ISO New England as a retail load reducer.

VII. It is therefore also in the best interests of all citizens of New Hampshire that the size limit on customer-generators that may participate in net energy metering and serve as retail load reducers be increased from one megawatt to up to but not including 5 megawatts to increase customer supply choice, foster a more robust retail market for local renewable energy, 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]~~ **nameplate or maximum rated** capacity of ~~[up to and including one megawatt,]~~ **less than 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 **in the first instance**. 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) 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.

(b) For the purposes of accounting for any exports to the distribution grid by customer-generators, such exports shall be treated as reductions to the customer-generator's electricity supplier's wholesale load obligation for energy supply as a load serving entity, net of any applicable line loss adjustments as approved by the commission.

(c) A generator that first becomes operational on or after July 1, 2020 shall only be eligible to participate in net metering as a customer-generator if it does not register as a generator with ISO New England, is not considered a "Network Resource" or "Asset" by ISO New England, and does not participate in any other sale of electricity in interstate commerce.

(d) A generator that first became operational before July 1, 2020 and that has outstanding capacity commitments in the forward capacity market administered by ISO New England, is registered as a generator with ISO New England, or is considered a "Network Resource" or "Asset" by ISO New England, may elect to become a customer-generator and participate in net metering upon retirement from all wholesale electric markets administered by ISO New England. A generator in the process of retiring from FERC regulated electric markets may prospectively register as a group host pursuant to paragraph XIV provided that net metering tariffs under this section shall not be effective until such retirement is effective.

(e) Any provisions of settlement agreements or orders that have been approved or issued by the commission that relate to a distribution utility's treatment of the output from qualifying facilities or independent power producers shall not apply to the output from an eligible customer-generator participating in net metering.

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. *Alternative tariffs shall be applicable and have such grandfathering provisions as may be approved or adopted by the commission under this section. Customer-generators with a nameplate or maximum rated capacity of more than one megawatt and less than 5 megawatts that are eligible for net metering before the commission adopts tariffs specifically for customer-generators with a generating capacity of more than one megawatt shall:*

(a) Be eligible to receive the export credit rate approved by the commission in Order No. 26,029 (DE 16-576) for one megawatt sized customer-generators on default service, namely, the applicable default energy service rate.

(b) Be grandfathered by the terms of currently applicable tariffs for customer-generators with a total peak generating capacity of one megawatt if the customer-generator's electrical generating facility first becomes operational on or after July 1, 2020.

(c) Transition to such new tariffs as are specifically approved by the commission for customer-generators with a nameplate or maximum rated capacity of more than one megawatt if the customer-generator's electrical generating facility first became operational before July 1, 2020.

5 New Paragraph; Net Energy Metering; Limitation. Amend RSA 362-A:9 by inserting after paragraph XIX the following new paragraph:

XX. For the purpose of this section, a customer-generator with a nameplate or maximum rated capacity in excess of 100 kilowatts, and which first becomes operational on or after July 1, 2020 shall be eligible for net energy metering only if at least 50 percent of the actual or estimated annual electricity generation from its facility is consumed behind-the-meter, unless it has registered as a group host under paragraph XIV.

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

(d) The electrical generation, production, storage, and supply equipment of an "eligible customer-generator" as defined in RSA 362-A:1-a, II-b, up to and including one megawatt;

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