



**COMMUNITY
POWER COALITION**
OF NEW HAMPSHIRE
For communities, by communities.

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April 16, 2024

Hon. Kevin Avard
Chairman, Energy & Natural Resources Committee
New Hampshire Senate
107 North Main St.
Concord, NH 03301

RE: HB 1600, *relative to participation in net energy metering.*

Dear Chairman Avard and Members of the Senate Energy & Natural Resources Committee,

This bill was a request of the [Community Power Coalition of New Hampshire](http://www.CommunityPowerNH.gov) (CPCNH). We support passage of this bill with an amendment along the lines of the attached, as referenced by Rep. Cormen, to reconcile the House passed version with another amendment approach to the same end suggested by the NH Department of Energy (DOE) to the House Committee, too late in the process to be considered by ST&E. We thank Rep. Cormen and all the bipartisan co-sponsors of this bill for bringing it forward.

We support HB 1600 for the following reasons:

✦ ***HB 1600 provides a new option for Community Power Aggregations (CPAs) to use the renewable power generated by local net metered customer-generators up to 5 megawatts (MW) capacity to offset the load of a Community Power Aggregation, when they purchase the excess power exported to the grid.***

The bill as introduced and amended by the House does this through the “Municipal Host” definition and construct as part of “Group Net Metering.” The ST&E amendment pulled the new provisions of the bill out of the definition of “Municipal Host” and put them in RSA 53-E. DOE suggested a separate definition for this category of customer-generators, perhaps “community aggregation host” in the definition section of the Limited Electrical Energy Producer’s statute (LEEPA), RSA 362-A:1-a, and provide the applicable details in the net metering section, RSA 362-A:9, rather than RSA 53-E. We are agreeable to that approach, have been in conversation with DOE about this, and offer the attached proposed amendment language.

Section 1 of the proposed amendment would create a new definition under RSA 362-A:1-a, II to specify that:

“Community Generator’ means a customer-generator with a total peak generating capacity of less than 5 MW that uses its excess generation to offset the load of a municipal or county aggregation under RSA 53-E provided that all customers comprising the load being offset are located in the same utility service territory.

This definition creates an important distinction from that of a “Municipal Host” under the current Group Net Metering construct. Group Hosts and Municipal Hosts are implicitly assumed to be on utility default service for certain legal and regulatory requirements under RSA 362-A:9, XIV and the Puc 900 rules. These requirements are inappropriate for the competitive construct that this bill proposes and would pose undue administrative burdens on both the DOE and the Community Generator. Instead, this definition requires that the Community Generator be a customer of a CPA and that their compensation for their energy and generation capacity are provided by the CPA pursuant to RSA 362-A:9, II.

✦ ***HB 1600 avoids cost-shifting from this new option because it requires the Community Generator to be a customer of a CPA with compensation for the energy supply and generation capacity value of their output made by the CPA pursuant to RSA 362-A:9, II, which provides that:***

“. . . municipal or county aggregators under RSA 53-E may determine the terms, conditions, and prices under which they agree to provide generation supply to and credit, as an offset to supply, or purchase the generation output exported to the distribution grid from eligible customer-generators. . . . Such output shall be accounted for as a reduction to the customer-generators' electricity supplier's wholesale load obligation for energy supply as a load service entity, net of any applicable line loss adjustments, as approved by the commission.”

This means that the electric distribution utility will not incur any costs for energy supply credits that they would otherwise need to recover from their ratepayers – hence, no new cost shifting, or new “stranded costs” would result utility compensation for energy supply from these community generators. This is a competitive market-based alternative to utility default service net metering.

✦ **HB 1600 is consistent with long standing New Hampshire policy to enable competitive markets and customer choice in energy supply and services.¹**

From its original enactment in 1998, NH's Net Metering statute, RSA 362-A:9, expressly provided that:

Electricity suppliers may voluntarily determine the terms, conditions, and prices under which they will agree to provide generation supply to and purchase net generation output from eligible customer-generators ... [1998, 261:10](#) (HB 485)

Indeed, the 1998 bill that created net metering amended the purpose statement of RSA 362-A:1 to add that the goals of the chapter, now including net metering, **“should be pursued in a competitive environment pursuant to the restructuring policy principles set forth in RSA 374-F:3.”**

NH's constitution and multiple iterations of state statute envisioned that customers would have access to energy resources through competitive markets.²

Many of our member communities have opportunities for the development of distributed generation, particularly at the 1 to 5 MW scale, and the question now is whether they will be developed as “traditional” Municipal Hosts on utility default service with compensation by the utility or whether they might be developed to help serve the load of the CPA as a whole with compensation for their energy supply and generation capacity value of their output coming from the CPA rather than the utility, avoiding an increase in cost-shifting that might otherwise occur if on utility default energy service.

The intent of HB 1600 is to enable a novel option for Community Generators who produce renewable energy and wish to have more than one choice for the

¹ In 1996 the General Court passed nation-leading electric industry restructuring legislation with the purpose of “reduc[ing] costs for all consumers of electricity by harnessing the power of competitive markets” and with principles that include customer choice, specifying that “customers should be able to choose among options such as real time pricing, and generation sources including interconnected self generation...” In RSA 374-F:1, the General Court went on to state that “increased customer choice and the development of competitive markets for wholesale and retail electricity services are key elements in a restructured industry...” Furthermore, “a transition to competitive markets for electricity is consistent with the directives of part II, article 83 of the New Hampshire constitution which reads in part:

Free and fair competition in the trades and industries is an inherent and essential right of the people and should be protected against all monopolies and conspiracies which tend to hinder or destroy it.”

compensation of their net energy exports while expanding access to locally-produced clean energy for all customers of the CPA.

HB 1600 does not supplant, amend, or limit existing group net metering arrangements involving municipal hosts where the municipal host may be a customer of utility default energy service with members of the group consisting of individual retail customer accounts.

In summary, **CPCNH represents both the customers that we serve and the voters to whom we are accountable.** Our interest is strong in transitioning to a more market-based and competitive retail market that will allow Granite State communities and the customers they serve the ability to accelerate the transition to an affordable, equitable, and sustainable energy future. If you have any questions, please don't hesitate to contact me. Thank you.

Respectfully,



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cc: HB 1600 co-sponsors

Draft Senate Amendment for HB1600
4/16/24

1 Replace all after the enacting clause with the following:

2 1 New Paragraph; Limited Electrical Energy Producers; Definitions. Amend RSA 362-
3 A:1-a by inserting after paragraph II-f the following new paragraph:

4 II-g. “Community generator” means a customer-generator with a total peak generating
5 capacity of less than 5 megawatts that uses its excess generation to offset the load of a municipal or
6 county aggregation under RSA 53-E provided that all customers comprising the load being offset are
7 located in the same utility service territory.

8 2 New Paragraph; Limited Electrical Energy Producers; Net Energy Metering. Amend
9 RSA 362-A:9 by inserting after paragraph XXIII the following new paragraph:

10 XXIV. When a community generator consents to use its excess generation to generally offset
11 the load of a municipal or county aggregation, and not individual retail customer accounts, it shall be
12 a customer of a municipal or county aggregation and not on utility default service, with accounting
13 and compensation for the energy supply and generation capacity value of its output made pursuant
14 to RSA 362-A:9, II.

15 3 Aggregation of Electric Customers by Municipalities and Counties; Regulation;
16 Reference Change. Amend RSA 53-E:4, VI to read as follows:

17 VI. Municipal or county aggregations shall be subject to RSA 363:38 as service providers and
18 individual customer data shall be treated as confidential private information and shall not be subject
19 to public disclosure under RSA 91-A. An approved aggregation may use individual customer data to
20 comply with the provisions of RSA 53-E:7, [H] **III** and for research and development of potential new
21 energy services to offer to customer participants.

22 4 Effective Date. This act shall take effect upon its passage.