The State of New Hampshire
**DEPARTMENT OF ENVIRONMENTAL SERVICES**

**Thomas S. Burack, Commissioner**

February 1, 2011

The Honorable James Garrity, Chairman
House Science, Technology, and Energy Committee
Legislative Office Building, Room 304
Concord, NH 03301

Re: HB 311-FN relative to solar renewable energy

Dear Chairman Garrity and Members of the Committee:

The Department of Environmental Services (DES) appreciates the opportunity to comment on HB 311, relative to solar renewable energy. This bill, along with other proposed pieces of legislation including HB 302, seeks to revise New Hampshire's renewable portfolio standard (RPS, codified in RSA 362-F *Electric Renewable Portfolio Standard*). While DES is generally supportive of the concepts proposed in this bill, the department defers to the Public Utilities Commission (PUC) as to the merits of the bill as written. However, in the interest of long term regulatory certainty DES believes that the proposed revisions would best be considered in the larger context of the currently ongoing and statutorily required 2011 comprehensive review of New Hampshire's RPS (pursuant to RSA 362-F: 5, *Commission Review and Report*). Therefore, DES recommends that all proposed RPS legislation, including this bill, be deferred at this time.

New Hampshire is one of twenty-six states with a renewable portfolio standard. New Hampshire's RPS, RSA Chapter 362-F was passed in 2007 (House Bill 873, *An Act establishing minimum renewable standards for energy portfolios*). The RPS legislation was the result of a thorough and deliberate two year stakeholder effort involving the state's business interests, environmental organizations, utilities, renewable electricity suppliers and developers, and other energy interests. As the discussions proceeded and in the interest of the greater good, nearly every interest involved put aside specific issues and came to support the legislation without seeking to add their particular interest provisions. This widespread support was reflected in bipartisan support in the General Court, including votes of 253 to 37 in the House of Representatives and a unanimous 24-0 vote in the Senate.

One of the reasons this legislation was so strongly supported was that it included provisions for regular review of the impacts in 2011, 2018, and 2025. The review required pursuant to RSA 362-F:5 includes the following statutorily required elements;

> *"Commencing in January 2011, 2018, and 2025 the commission shall conduct a review of the class requirements in RSA 362-F:3 and other aspects of the electric renewable portfolio standard program established by this chapter. Thereafter, the commission shall make a report of its findings to the general court by November 1, 2011, 2018, and 2025, respectively, including any recommendations for changes to the class requirements or other aspects of the electric renewable portfolio standard program. The commission shall review, in light of the purposes of this chapter and*

*with due consideration of the importance of stable long-term policies:*

*I. The adequacy or potential adequacy of sources to meet the class requirements of RSA 362-F:3;*

*II. The class requirements of all sources in light of existing and expected market conditions;*

*III. The potential for addition of a thermal energy component to the electric renewable portfolio standard;*

*IV. Increasing the class requirements relative to classes I and II beyond 2025;*

*V. The possible introduction of any new classes such as an energy efficiency class or the consolidation of existing ones;*

*VI. The timeframe and manner in which new renewable class I and II sources might transition to and be treated as existing renewable sources and if appropriate, how corresponding portfolio standards of new and existing sources might be adjusted;*

*VII. The experience with and an evaluation of the benefits and risks of using multi-year purchase agreements for certificates, along with purchased power, relative to meeting the purposes and goals of this chapter at the least cost to consumers and in consideration of the restructuring policy principles of RSA 374-F:3; and*

*VIII. Alternative methods for renewable portfolio standard compliance, such as competitive procurement through a centralized entity on behalf of all consumers in all areas of the state.*

*IX. The distribution of the renewable energy fund established in RSA 362-F:10."*

The PUC has already begun preparation for this review, with an initial stakeholder informational meeting scheduled on February 14th. Given the significant scope of the review, and in the interest of regulatory certainty, DES believes it would be prudent to allow particular suggestions for revision to the RPS to be more fully considered during the review process in the full context of all stakeholder suggestions. A report of the commission's recommendations, including any suggested legislative revisions, is due in time to prepare comprehensive legislative language for the 2012 session.

Thank you for your consideration in this matter, Should you have any questions or require further information please contact Robert Scott, Director of the Air Resources Division (rscott@des.nh.gov, 271-1088) or Michael Fitzgerald, Administrator, Technical Services Bureau (mfitzgerald@des.nh.gov, 271-6390).

Sincerely,

Michael Walls, Asst. Comm.

for Thomas S. Burack
Commissioner

cc: HB 311 sponsors
Thomas Getz, Chairman, Public Utilites Commission
Jack Ruderman, Director, PUC Sustainable Energy Division