



The State of New Hampshire
Department of Environmental Services



Robert R. Scott, Commissioner

April 11, 2018

The Honorable Richard Barry
Chair, Science, Technology, and Energy Committee
Legislative Office Building, Room 304
Concord, NH 03301

RE: SB 577, *An Act requiring the public utilities commission to consider its order affecting the Burgess BioPower plant in Berlin, prohibiting the import of certain liquid fuels, and relative to the production of useful thermal energy*

Dear Chair Barry and Members of the Committee:

Thank you for the opportunity to testify on SB 577 as amended by the Senate, particularly regarding amendment 2018-0721s, reflected as section 3 of the current amendment. This bill, among other requirements, would revise RSA 125-C:10-d to change the compliance date for the low sulfur fuel requirements from July 1, 2018 to February 1, 2019 and ban the importation of non-compliant fuels as of July 1, 2018. As clean energy supports our mission of fostering a healthy environment, the New Hampshire Department of Environmental Services (NHDES) supports this amendment, but takes no position on the other sections of the bill.

SB 309 (2016), *AN ACT relative to sulfur limits of certain liquid fuels*, established the current requirements in RSA 125-C:10-d for the sale and use of low sulfur heating fuels in New Hampshire. This legislation was sought and supported jointly by NHDES and the Energy Marketers Association of NH (EMANH), the state association of fuel suppliers and distributors. In early 2018 NHDES and EMANH convened a meeting to determine the industry's progress toward meeting the statutory compliance requirements. At that meeting at least one major distributor indicated that they would have a difficult time meeting the original July 1, 2018 compliance date due to low storage tank throughput and turnover at that time of year, which would necessitate expensive tank pumping and cleaning to meet the stringent low sulfur requirements. This situation would cause a ripple of non-compliance to downstream marketers through no fault of their own.

In order to avoid significant and widespread non-compliance, NHDES agreed to seek statutory revisions to limit the importation of non-compliant fuels to be effective as soon as possible, and revise the final compliance date to February 1, 2019 in order to allow for greater tank turnover during the high heating oil demand winter months. Senator Bradley concurred with this approach and sponsored amendment 2018-0721s at the request of NHDES and EMANH. To that end, NHDES and EMANH would also request that the effective date of section 3 of the bill relative to this issue be revised from July 1, 2018 to "upon passage" in order to begin the process of lowering the sulfur content of fuels brought into New Hampshire as soon as possible.

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Thank you again for the opportunity to comment on the amendment to HB 577. Should you have further questions or need additional information, please feel free to contact Michael Fitzgerald, Assistant Director (michael.fitzgerald@des.nh.gov, 271-6390) or Joseph Fontaine, Technical Programs Manager (joseph.fontaine@des.nh.gov, 271-6794) of the Air Resources Division.

Sincerely,



Robert R. Scott
Commissioner

cc: Sponsors of SB 577: Senators Bradley, Woodburn, Giuda, Avard, Representatives Theberge, Thomas, Chandler