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Legislature's energy plate will be full in 2012

The 2012 New Hampshire legislative session is approaching fast and promises to be a busy one from an energy perspective.

Although not all bills have been introduced and issued, based on the titles of bills being drafted, bills from the 2011 session that were retained and studied over the summer and fall, and comments from key legislators, it is clear that the House and Senate are going to be spending time on some pretty significant energy-related issues.

One of the biggest issues on the legislative plate is what, if anything, to do about the Northern Pass transmission project, the proposed 1,200-megawatt transmission project that would bring power from Quebec to New England through New Hampshire.

During the 2011 session, the House passed and then the Senate re-referred for study a bill that would prohibit the use of eminent domain for this type of project. This month the Senate Judiciary Committee voted 4-0 to recommend that House Bill 648 ought to pass with an amendment that contains a number of landowner protections, but stopped short of prohibiting the use of eminent domain for the project.

This will go to the Senate floor in January.

At least eight bills filed by title for next session appear to be directed at either eminent domain powers or the process the Site Evaluation Committee would use to evaluate the project.

Another significant energy issue on the legislative agenda includes amendments to the Renewable Portfolio Standards (RPS) law. Passed in 2007, the law requires an increasing percentage of power supplied by New Hampshire utilities come from "renewable resources."

As required under the law, the Public Utilities Commission studied its implementation and in the fall issued a report, which is likely to be the basis for some changes to the law. Some legislators have expressed an interest in revising the law to either reduce the number of classes of renewables that qualify (currently four) or to make other modifications to the law. Both the House and Senate have bills filed by title to address this issue.

The Regional Greenhouse Gas Initiative involves the state's participation in a regional system of reducing greenhouse gases through a carbon dioxide emissions trading program. This was a controversial issue last year and looks to be again this year.

In 2011, the House and Senate passed a bill that dealt with shoreland protection but that also contained provisions eliminating New Hampshire's participation in the RGGI program, based on arguments that RGGI results in increased costs to New Hampshire ratepayers with few benefits. However, the governor vetoed it and the Senate was one vote short of overriding the veto.

Another bill would have eliminated participation in RGGI on the House side, but would have reformed, not eliminated, the program on the Senate side. That died in a conference committee when it became clear that the House was only interested in eliminating the program and the Senate did not have the votes to override another veto.

This coming session, at least one bill eliminating New Hampshire's participation in RGGI has been filed in the House and public comments from key House and Senate members suggest a replay of what happened last year, unless the differences can be resolved.

One of the biggest energy issues in recent years, the deregulation of the generation of electricity, is back as well.

Public Service of New Hampshire still owns generation facilities, but the cost of providing power from that generation is now above the market price for electricity. This has led to a significant increase in the number of customers that have left PSNH's energy service to obtain power from the competitive market.

Through an order issued last summer, the PUC denied an effort by PSNH to recover a portion of its fixed generation costs from all customers and recommended that the Legislature decide whether PSNH should be required to divest the rest of the generation that it owns.

A House bill has been filed that would require PSNH to submit to the PUC by October 2012 a plan to divest its generation by the end of 2013. This bill has been described by a key legislator as a means of beginning the legislative debate on completing restructuring.

Although there is no bill title that suggests any attempt to recover PSNH's generation costs from customers that obtain power from the competitive market, that could emerge as an issue during the session.

Other energy issues include:

- A new general energy policy statement that could supplant some or all of the many policy statements, some of which express competing energy policy priorities, in state laws
- Construction of power line extensions
- A committee to study the PUC, net metering, utility pole attachments, conflicts of interest in PUC hearings, municipal property taxation of utility poles, prohibiting electric utilities from installing smart meters and the Site Evaluation Committee process.

Recent outages from snow and ice storms suggest that tree trimming practices may also be an issue. Stay tuned.

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