

New Hampshire Legislative 2011 Wrap-up and Overview

Overview

November 2010 elections in New Hampshire laid the groundwork for a 2011 Legislative session that was generally positive for NU and PSNH, but wasn't without its tough moments. Working within the new legislature required not only educating large numbers of new legislators on the energy business, but required formulating an entirely new strategy geared toward the mindset of the new members.

Beginning in 2003, during a period of time when the Democrats were starting to gain seats in the Legislature, Libertarian-minded people began moving to New Hampshire as part of what they call the "Free State Project." Their goal was to bring 20,000 individuals to New Hampshire to help shrink government and expand individual rights. Since that time, 900 Free Staters have come to the state and about 50 of those people ran for and won a seat in the Legislature in November. Therefore, the legislature has a definite Libertarian flair to it. The Libertarian ideals in large part played a role during the deliberations on the budget and business bills, but also during the hotly debated eminent domain bills that were intended to remove the ability of the Northern Pass Transmission project to use eminent domain unless needed for system reliability.

A recently released study by the founders of the Free State Project called, "Freedom in the 50 States," ranks New Hampshire in a first place tie as the freest state with South Dakota after watching the direction of the New Hampshire legislature since the November elections.

Overall, the 2011 Legislature met its two main goals: not to raise taxes that would harm economic recovery and, the government would live within its means. Previous budgets increased spending by 20% and relied on revenue estimates that never materialized, all the while increasing taxes and fees and borrowing from federal stimulus dollars to try to fill the gap. 2011 figures showed an \$800 million budget gap that had to be filled without raising taxes. The Republican-controlled legislature met its goal but not without making some tough choices about where the cuts would be made. Health and Human Services programs, aid to hospitals, the prison system, and the University System of New Hampshire took the brunt of the hits. The spending cuts totaled 11% and sets the state on track to live within the revenues it receives. The 2012 elections, however, will prove whether the public approves of these changes or not.

NU/PSNH 2011 Legislative Priorities

- **Northern Pass Transmission** NU's Northern Pass Transmission Project does not require legislative approval, however, the legislature did provide a venue for the opponents of the project to voice their concerns through two bills that were introduced late in the legislative process. Both bills were retained for the legislature to continue its work through the summer and fall.
- **Regional Greenhouse Gas Initiative** This bill would have repealed New Hampshire's involvement in RGGI but it was killed during a committee of conference when the House and Senate could not agree on final language.
- **Pollution Control Tax Exemption** Two bills were introduced this year to repeal the exemption, but one bill was killed and the other was retained for further work over the summer and fall.
- **Renewable Portfolio Standard** PSNH has been working with stakeholders on opportunities to improve New Hampshire's RPS as a way of making it easier and cheaper on utilities to comply, This session proved to have its share of controversial bills, so the House retained all RPS-related bills in order to work on all of them next session where they intend to have the opportunity to spend more time on the issue.
- **Coos Loop Transmission Commission** Since 2006, after the state determined that a proper economic engine for the North Country is to move from a paper producing industry to a renewable energy industry, the Legislature has passed bills that created or extended the Transmission Commission to find ways to upgrade the existing Coos Loop and who should pay for the upgrade which is not adequate to interconnect multiple renewable energy development projects. Since that time, there has been no solution agreed upon and the legislature this year decided that developers should pay for the upgrade and refused to extend the commission for fear that ratepayers may be on the hook to subsidize these developers. The bill passed the Senate, but was killed in the House.

Key Bills for PSNH/NU

Bills that Passed

HB 117 Any vehicle subject to this subdivision that utilizes an auxiliary power or idle reduction technology unit in order to promote reduction of fuel use and emissions because of engine idling, may be allowed up to an additional 400

pounds in gross, axle, tandem, or bridge formula weight limits. To be eligible for this exception the driver of the vehicle must be able to prove by written certification the weight of the auxiliary power unit and by demonstration or certification that the idle reduction technology is fully functional at all times. Certification of the weight of the auxiliary power unit must be available to law enforcement officers if the vehicle is found in violation of applicable weight laws. The additional weight allowed may not exceed 400 pounds or the weight certified, whichever is less.

HB 144 This bill establishes that financing for participating property owners in energy efficiency and clean energy districts may be provided through issuance of municipal revenue bonds but not from general municipal revenues. This bill also removes the priority lien provision for loans made by energy efficiency and clean energy districts under RSA 53-F.

HB 381 This bill redefines “eligible customer-generator” in order to authorize net metering for micro-combined heat and power systems. This bill limits the total rated generated capacity from combined heat and power systems for purposes of net energy metering to 1mw.

HB 248 This bill establishes a commission to study business regulations in New Hampshire in order to set priorities for what is and what is not working to ensure a healthy business atmosphere in the state for future legislatures to work on.

SB 92 This bill establishes an economic strategic commission to review the relationship between business and government. The ultimate goal of this commission is to ensure that government is helpful to business and not an unnecessary burden.

Retained Bills for further work

HB 127 This bill amends the definition of “oral communication” under the wiretapping and eavesdropping statute by further defining the circumstances under which an oral communication may be legally intercepted.

HB 256 This bill modifies the administrative appeals process of the department of environmental services

HB 293 This bill phases out the exemption from property taxes for the appraised value of water and air pollution control facilities as determined by the department of environmental services over a 5-year period and repeals the exemption on March 31, 2016.

HB 311 This bill would revise the RPS law for solar renewable requirements only. It would allow distribution utilities to aggregate the solar installations in their

territories and get credit as well as move the costs associated with compliance into the distribution rate.

HB 321 Relative to the classification of wetlands as contributing or noncontributing.

HB 445 Relative to the regulation of electronic tracking devices

HB 514 Relative to entry on private land

HB 540 Relative to motor vehicle inspections

HB 543 Relative to biomass combined heat and electricity facilities

HB 648 Requiring that eminent domain only be used for transmission projects if the project is required for system reliability

HB 649 Disallowing eminent domain to be used for the Northern Pass Project

SB 19 Changing the definition of “prime wetlands” so that there is a more clear and reliable reason to define an area as a prime wetland.