



2016 New Hampshire Legislative Session Review

Presented by Eversource

State:	New Hampshire
Capital:	Concord
Governor:	Maggie Hassan (D) 2 nd term, not running for re-election Candidate for US Senate seat
Executive Council:	5 members, each representing geographic area of the state Approves all appointments and all state agency expenditures of more than \$5,000. District 1: Joe Kenney (R) District 2: Colin Van Ostern (D) District 3: Christopher Sununu (R) District 4: Christopher Pappas (D) District 5: David Wheeler (R)
General Elections:	Every elected office elected every two years Representatives and Senators each receive \$100 for each year served
Legislative Session:	The Legislature meets beginning on the first Wednesday after the first Tuesday in January Given the 2-year election cycle, the session is a 2-year session

Each year of the session lasts roughly 6 months

Senate: 24 members (13 Republicans, 11 Democrats)
Senate President: Chuck Morse
Majority Leader: Jeb Bradley
Minority Leader: Jeff Woodburn (D)

House of Representatives: 400 members (235 Republicans, 160 Democrats, 5 Vacancies)
Speaker of the House: Shawn Jasper
Majority Leader: Richard Hinch
Minority Leader: Steve Shurtleff (D)

Senate Energy Committee: Jeb Bradley, Chair (R)
Jerry Little, Vice Chair (R)
Dan Feltes, ranking minority (D)
Andy Sanborn (R)
Martha Fuller Clark (D)

House Science, Technology & Energy Committee: Robert Introne, Chair (R)
Herb Richardson, Vice Chair (R)
Bill Baber, ranking minority (D)
James Devine (R)
Larry Rappaport (R)
David Murotake (R)
Herb Vadney (R)
James Parison (R)
Jeanine Notter (R)
Glen Aldrich (R)
Carolyn Halstead (R)
Douglas Thomas (R)
Michael Vose (R)
Jackie Cali-Pitts (D)
David Borden (D)
Suzanne Harvey (D)
Charles Townsend (D)
Robert Backus (D)
John Mann (D)
Marjorie Shephardson (D)
Howard Moffett (D)

Regulatory Body: Public Utilities Commission
3 Commissioners:
Martin Honigberg, Chair

Bob Scott
Kate Bailey
Members are appointed by the Governor and approved by the Executive Council in staggered six year terms

2016 Legislative Session Overview

The 2016 Legislative session adjourned on June 2, 2016 after a nearly unprecedented year for business. Half of the bills signed by the Governor (152) directly affected business. Key business tax breaks took the lead followed by other economy boosting legislation. Overshadowing all these benefits to New Hampshire businesses was the opioid crisis. For such a small state, New Hampshire's roughly 1.1 million residents have been hard hit by the heroin epidemic. After some partisan bickering, the legislature passed a dozen critical pieces of legislation making changes to public school drug and alcohol education requirements, allocate money for individuals who need treatment, establish statewide drug courts and require updated opioid prescribing rules for providers.

Bills familiar to lawmakers and lobbyists as they reappear year after year once again they all failed this session. They include allowing a single casino in the state, legalizing video and keno gambling, repealing the state's death penalty, increasing the state's minimum wage (it remains tied to the federal standard), allowing work schedule flexibility, workplace accommodations for breastfeeding and requiring notification of past criminal history in the initial application process, recreational marijuana use, and repealing the need for a permit to carry a concealed weapon (due to Governor's veto).

Energy received its fair share of the spotlight during the session, most notably, energy corridors, net metering and gas pipeline expansion, with a sighting of drones.

Northern Pass

HB 626, a bill that would require utilities use highway corridors for energy projects, passed after a complete legislative overhaul. The final version authorized the NH Dept. of Transportation to update its utility accommodation manual to allow utilities to consider using highway corridors as an option, but not a mandate nor is there language to show preference for using the highway corridors.

Net Metering

New Hampshire's statewide cap on net metering installations has been 50mw. During 2016, nearly all of the state's utilities hit their share of the cap prompting legislation to increase the cap. The legislature heard from many interests including those who demand the tariff be limited to wholesale rate for net metering facilities. As a result, the final legislation increased the cap to 100mw but directed the PUC to open a docket and determine a fair and reasonable tariff for net metering customers, without overburdening customers without installations

within ten months from the opening date of the docket. The PUC is currently working with stakeholders to comply with the legislation.

Gas Pipelines

Only one out of thirteen anti pipeline-related bills became law. That bill establishes a committee to study stranded costs as they relate to pipeline capacity contracts.

Drones

Drones remain basically unregulated at the state level after House and Senate lawmakers failed to reach agreement on a bill covering government and private drone use. The bill, which included provisions on surveillance, the need for warrants, privacy concerns and safety, died when House negotiators declined to agree to a Senate provision that gave business and industry an exemption, as long as their drone use was compliant with Federal Aviation Administration (FAA) rules. For now, the FAA rules remain the primary guidance for drone use.

A Glance Back and a Look Forward

This session ended the guaranteed control of the House and Senate by the Republicans, after the 2014 elections. As the 2015 session began, pundits commented that the Democrats, as second fiddle in both bodies, appeared to be determined to work closely with the Republicans and focus on being more business friendly. While there were some issues where a partisan divide appeared, overall by the end of the 2016 session it became clear that the Democrats lived up to their goal both on cooperation and attention to business needs; and, the Republicans were more open to the give-and-take necessary to reach consensus.

The Republicans tried to exert control in 2016 by working on legislation that they believed would lower the cost to comply with the state's renewable portfolio standard and RGGI and make it easier for utilities to use flaggers in place of police details where practical. These goals were harder to achieve than expected.

Looking forward, regardless of how the November 2016 elections fare, there will be major changes in the makeup of New Hampshire's elected offices when the 2017 Legislative Session opens. For starters, the state will have a new governor, since the sitting governor, Maggie Hassan (D), is running for the U.S. Senate Seat currently held by Sen. Kelly Ayotte (R). The open seat has attracted many candidates, including two Executive Councilors, leaving those seats open.

At the very least, one third of the 24-member Senate will be new, as eight members have announced they will not be running again. This turnover is not a regular occurrence and both parties state publicly they will control the chamber.

During a normal election year, the 400-member House sees significant changes in the chamber, but the passions at the national level could well produce more change than usual.

In the end, no one knows what to expect, except to be prepared for the unexpected.

Other 2016 Session Highlights

Additional Energy bills that Passed:

HB 626 Authorizing energy infrastructure development and designating infrastructure corridors as an option for utility use and requiring the department of transportation to adopt an updated and revised utility accommodation manual by 2017.

This bill began as a mandate for utilities to site energy transmission projects within the state's interstate and intrastate corridors. The final version was dramatically modified to ensure any reference to a mandate was removed.

HB 1116 Compromise bill expanding the net metering cap to 100mw while also requiring the PUC to initiate a proceeding to develop alternative net metering tariffs.

HB 1148 Establishes a committee to study potential statutory revisions to constrain stranded costs associated with pipeline capacity contracts. The results of the study to be contained in a report due by November 2017. Any further action requires legislation to be dropped in the process of the 2018 session, unless a legislator determines the need to move forward with such legislation in advance of the results of the study.

HB 1198 Sets the valuation of telecommunication poles and conduits at replacement cost less depreciation.

SB 359 This bill permits municipalities to fund improvements in electric vehicle charging stations with municipal registration permits.

SB 381 This bill excludes the combustion of the wood component of construction and demolition debris from certain air pollution control regulations.
This bill was vetoed by the Governor and will be taking up during "Veto Day" some time before the November elections.

SB 386 Adds biodiesel to sources that qualify for the state's renewable portfolio standard.

SB 489 Authorizes the state to conduct a 5-year demonstration project for the use of a Stirling engine system to provide electricity and/or heat to a state building.

Additional Pipeline-related Legislation that Failed to Pass:

CACR 14 This constitutional amendment resolution would have provided that the people of NH have the right to enact certain community laws that cannot be pre-empted or nullified by any international, federal or state law. This bill targeted energy development.

HB 1470 If passed, this bill would have permitted additional public members be added to the state's siting committee from each community affected by an energy project.

HB 1472 This bill would have required natural gas pipelines and storage tanks to be constructed below the frost line.

HB 1101 Would have prohibited charging any NH resident a tax, tariff or fee for the construction of high pressure gas pipelines.

HB 1109 If passed, in cases of eminent domain, the taker would be liable for attorney's fees of the property owners and also would have set a percentage of fair market value for notice of offers of property to be taken.

HB 1115 The bill was killed however it would have allowed the citizens of the state of NH to ignore any requirements by an agency (based on agency rules, not law) or even allow a citizen to follow the laws of a state other than NH.

HB 1140 This bill would have required owner of gas transmission pipelines to maintain insurance or provide a bond against any loss resulting from failure or malfunction of a pipeline.

HB 1146 If passed, this language would have required the permitting of a gas pipeline to include additional regular monitoring of the pipeline.

HB 1149 If this bill had passed, it would have required a royalty to be paid by gas pipeline owners if the natural gas was intended for use in a foreign country.

HB 1174 This bill would have required new natural gas transmission compressor stations to receive power from external energy sources.

HB 1544 If passed, this bill would have created a new tax on the revenues received by the owners of natural gas transmission pipelines and the gas itself.

HB 1660 This bill started out as a requirement for a pipeline company to take an entire tract of land under eminent domain, rather than a specific portion of the land and required the consent of the legislature for each taking if public lands are included and would have made the pipeline owners responsible for the land use change tax. After amendment in the House and Senate, language was added to require the NH Site Evaluation Committee to file as an intervenor in any gas docket at FERC and would have required the pipeline owner pay for any relocation, temporary housing and legal fees associated with any taking of property. The bill died in a committee of conference.

Other Miscellaneous Energy Bills that Failed:

- SB 364** Relative to traffic measures. This bill would have made it easier for utilities to hire flaggers instead of police details.
- SB 334** Establishing a commission to study the planning functions of the Office of Energy and Planning.
- SB 321** This bill would have prioritized incentive payments from the renewable energy fund to certain churches. It was silent on all religious organizations which caused it to be killed.
- HB 1691** This bill would have changed the requirements of the renewable portfolio standard by increasing slightly the requirements of Class 1 and reducing the requirements of the remaining 3 classes.
- HB 1659** If passed, this bill would have prohibited the NH Dept. of Environmental Services from expending any funds to implement the federal Clean Power Act.
- HB 1483** A net metering bill, this would have required utilities to bill every member of a group net metering customer to be billed individually; and, allowed communities to provide additional tax breaks to the group member.
- HB 1374** This language would have required that all alternative compliance payments into the renewable energy fund as a result of the renewable portfolio standard, be returned to ratepayers in the form of a rebate.
- HB 1275** This bill was killed at the request of the sponsor. It would have simply raised the net metering cap from 50mw to 100mw, but the bill that did pass, HB 1116, became the language of choice as it requires the PUC to open a docket to produce a more fair tariff.
- HB 1494** In addition to other requirements, this bill would have made it more difficult for utilities to comply with criminal investigations and provide appropriate customer information during such investigations.
- HB 1412** The purpose of this bill was to change the duties of the Public Utilities Commission to resemble and duplicate the duties of the Site Evaluation Committee.
- HB 1367** If passed, this bill would have allowed non-utility third parties to have the same standing as a utility in the PUC's review of ideas to implement grid modernization, etc.
- HB 1362** This bill would have required a utility phone every customer affected by an outage if expected to exceed 4 hours.
- HB 1427** If passed, this legislation would have suspended the water and air pollution control property tax exemption. This would have increased the local taxes by any facility employing such pollution control facilities.

