

Amendment to HB 519-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to New Hampshire's regional greenhouse gas initiative cap and trade  
4 program for controlling carbon dioxide emissions.  
5

6 Amend the bill by replacing all after the enacting clause with the following:

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8 1 Energy Consumption Reduction Goal; Reports; Reference Change. Amend RSA 21-I:14-c, III  
9 to read as follows:

10 III. Beginning in calendar year 2012, the commissioner shall submit an annual report to be  
11 made available to the public on or before December 1 compiling the annual reports submitted under  
12 paragraph II, with findings on the departments' annual progress in complying with the energy  
13 consumption reduction goal established in paragraph I and problems which may prevent the  
14 departments from achieving this goal, to the [~~energy efficiency and sustainable energy board~~  
15 ~~established under RSA 125-O:5-a, the~~] governor, the senate president, the speaker of the house of  
16 representatives, the chair of the senate energy[~~, environment and economic development~~] **and**  
17 **natural resources** committee and the chair of the house science, technology and energy committee.

18 2 Rulemaking; Energy Efficiency Fund and Use of Auction Proceeds. Amend RSA 125-O:8, II to  
19 read as follows:

20 II. The public utilities commission shall adopt rules, under RSA 541-A, to administer the  
21 [~~greenhouse gas emissions reduction~~] **energy efficiency** fund **and auction proceeds received** pursuant  
22 to RSA 125-O:23.

23 3 Carbon Dioxide Emissions Budget Trading Program; Auction Proceeds. Amend RSA 125-O:21,  
24 III to read as follows:

25 III. The department shall make available for sale at one or more auctions all of the budget  
26 allowances for a given year, except for those granted or reserved under RSA 125-O:22, VI, 125-O:24,  
27 and 125-O:25. The department may also make available for sale at one or more auctions a portion of  
28 future year budget allowances. Such auctions may be conducted in coordination with other states.  
29 Revenues from the sale of allowances shall be [~~deposited in the greenhouse gas emissions reduction~~]  
30 **energy efficiency** fund established under RSA 125-O:23.

31 4 Greenhouse Gas Emissions Reduction Fund Replaced With Energy Efficiency Fund and Use of  
32 Auction Proceeds. RSA 125-O:23 is repealed and reenacted to read as follows:

Amendment to HB 519-FN

- Page 2 -

1 125-O:23 Energy Efficiency Fund and Use of Auction Proceeds.

2 I. There is hereby established an energy efficiency fund. This nonlapsing, special fund shall  
3 be continually appropriated to the commission to be expended in accordance with this section. The  
4 state treasurer shall invest the moneys deposited therein, as provided by law. Income received on  
5 investments made by the state treasurer shall also be credited to the fund. All programs supported  
6 by these funds shall be subject to audit by the commission as deemed necessary. A portion of the  
7 fund moneys shall be used to pay for commission and department costs to administer this  
8 subdivision, including contributions for the state's share of the costs of the RGGI regional  
9 organization. The commission shall transfer from the fund to the department such costs as may be  
10 budgeted and expended, or otherwise approved by the fiscal committee of the general court and the  
11 governor and council, for the department's cost of administering this subdivision.

12 II. All amounts in excess of the threshold price of \$1 for any allowance sale shall be rebated  
13 to all default service electric ratepayers in the state on a per-kilowatt-hour basis, in a timely manner  
14 to be determined by the commissioner.

15 III. All remaining proceeds received by the state from the sale of allowances shall be  
16 allocated by the commission as an additional source of funding to electric distribution companies for  
17 core energy efficiency programs that are funded by SBC funds.

18 5 Review of New Hampshire RGGI Program. Amend RSA 125-O:27 to read as follows:

19 125-O:27 Review of the New Hampshire RGGI Program. At the time of the 2012 comprehensive  
20 review by the signatory states as required in the MOU, the commission and the department shall  
21 concurrently review New Hampshire specific elements of the RGGI program, in particular ***RSA*** 125-  
22 O:23[~~IV~~] and ***RSA*** 125-O:25, and include the results of such review in the agencies' annual report  
23 under RSA 125-O:21, VI.

24 6 Legislative Oversight Committee on Electric Utility Restructuring; Report. Amend 374-F:5,  
25 III to read as follows:

26 III. The committee shall provide an ***interim report on or before April 1, and an*** annual report  
27 on or before November 1 to the governor, the speaker of the house, the senate president, the state  
28 library, and the public utilities commission on the status of electric utility restructuring, ***including***  
29 ***the status of core energy efficiency programs monitored under RSA 374-F:6.***

30 7 New Paragraph; Legislative Oversight Committee on Electric Utility Restructuring; Duties.  
31 Amend 374-F:6 by inserting after paragraph IV the following new paragraph:

32 V. Monitoring core energy efficiency programs funded by proceeds from sale of allowances  
33 under the regional greenhouse gas initiative program pursuant to RSA 125-O:23, III.

34 8 Funding of Contracts. All contracts executed before December 31, 2010 and funded through  
35 the greenhouse gas emissions reduction fund shall remain funded through such fund or the energy  
36 efficiency fund according to the terms of those contracts. Any funds remaining in the greenhouse gas  
37 emissions fund as of January 1, 2012 shall be transferred to the energy efficiency fund.

Amendment to HB 519-FN

- Page 3 -

1 9 Fund Name Change. Amend RSA 6:12, I(b)(272) to read as follows:

2 (272) Moneys deposited in the [~~greenhouse gas emissions reduction~~] **energy**  
3 **efficiency** fund established in RSA 125-O:23.

4 10 Repeal. The following are repealed:

5 I. RSA 125-O:5-a, I(d), relative to recommendations made to the public utilities commission  
6 by the energy efficiency and sustainable energy board.

7 II. RSA 125-O:19, relative to statement of purpose and findings.

8 III. RSA 125-O:21, VI(g), relative to a report on the allocation and spending of the  
9 greenhouse gas emissions reduction fund.

10 11 Contingent Repeal. The following are repealed:

11 I. RSA 125-O:3, III(d), relative to carbon dioxide cap.

12 II. RSA 125-O:20 through 125-O:28, relative to the regional greenhouse gas initiative.

13 12 Powers and Duties of Commissioner; Reference Deletion Related to Contingency. Amend  
14 RSA 125-O:6, I to read as follows:

15 I. Develop a trading and banking program to provide appropriate compliance flexibility in  
16 meeting the emission caps established under RSA 125-O:3, III [~~and allowance requirements of~~  
17 ~~RSA 125-O:21 and RSA 125-O:22~~], and to encourage earlier and greater emissions reductions and  
18 the development of new emission control technologies in order to maximize the cost-effectiveness  
19 with which the environmental benefits of this chapter are achieved.

20 13 Rulemaking Authority; Changes Related to Contingent Repeal. Amend RSA 125-O:8 to read  
21 as follows:

22 125-O:8 Rulemaking Authority.

23 [I.] The commissioner shall adopt rules under RSA 541-A, commencing no later than  
24 180 days after the effective date of this section, relative to:

25 [~~(a)~~] **I.** The establishment of trading and banking programs as authorized by RSA 125-  
26 O:6, I.

27 [~~(b)~~] **II.** The establishment of a method for allocating allowances and other emissions  
28 reduction units or mechanisms as authorized by RSA 125-O:3, II and III.

29 [~~(c)~~] **III.** Emissions and allowance monitoring, tracking, recordkeeping, reporting, and  
30 other such actions as may be necessary to verify compliance with this chapter.

31 [~~(d)~~] ~~The method and requirements for auctioning budget allowances under RSA 125-~~  
32 ~~O:21, which may use regional organizations.~~

33 [~~(e)~~] ~~Defining eligible projects for early reduction allowances under RSA 125-O:21, IV, and~~  
34 ~~establishing criteria to quantify and grant such allowances.~~

35 [~~(f)~~] ~~Defining eligible projects for offset allowances under RSA 125-O:21, V, and~~  
36 ~~establishing criteria to quantify and grant such allowances, including the accreditation of third-party~~  
37 ~~verifiers.~~

**Amendment to HB 519-FN**  
**- Page 4 -**

1           ~~(g) The forms and information required on applications for a temporary or operating~~  
2 ~~permit required under RSA 125-O:22.~~

3           ~~II. The public utilities commission shall adopt rules, under RSA 541-A, to administer the~~  
4 ~~greenhouse gas emissions reduction fund pursuant to RSA 125-O:23.]~~

5           14 Compliance Dates; Reference Deletions Related to Contingent Repeal. Amend RSA 125-O:9  
6 to read as follows:

7           125-O:9 Compliance Dates. The owner or operator of each affected source shall comply with the  
8 provisions of this chapter, excluding the subdivision on mercury emissions, RSA 125-O:11 through  
9 125-O:18, ~~[and the subdivision for CO2 emissions, RSA 125-O:19 through RSA 125-O:28,]~~ by  
10 December 31, 2006.

11           15 Non-Severability; Reference Deletions Related to Contingent Repeal. Amend RSA 125-O:10  
12 to read as follows:

13           125-O:10 Non-Severability. No provision of ~~[RSA 125-O:1 through RSA 125-O:18 of]~~ this  
14 chapter shall be implemented in a manner inconsistent with the integrated, multi-pollutant strategy  
15 ~~[or RSA 125-O:1 through RSA 125-O:18]~~ of this chapter, and to this end, the provisions of ~~[RSA 125-~~  
16 ~~O:1 through RSA 125-O:18 of]~~ this chapter are not severable.

17           16 Compliance. The repeal of the regional greenhouse gas initiative program under section 11 of  
18 this act shall not affect each affected CO2 source's obligation to satisfy the program's requirements  
19 for the compliance period ending December 31 of the prior year, including those contained in adopted  
20 rules. All means of enforcement shall remain in place for these requirements, including the  
21 provisions of RSA 125-O:7 and any permit issued or modified by the department of environmental  
22 services in accordance with RSA 125-O:22, IV.

23           17 Contingency. If a New England state which has at least 10 percent of the total load of the 10  
24 states participating in the regional greenhouse gas initiative ends its participation in the initiative  
25 sections 11-15 of this act shall take effect upon the date that the commissioner of the department of  
26 environmental services certifies to the secretary of state and the director of the office of legislative  
27 services that such state has terminated its participation in the initiative.

28           18 Effective Date.

29           I. Sections 1-9 and 16-17 of this act shall take effect January 1, 2012.

30           II. The remainder of this act shall take effect as provided in section 17 of this act.

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2011-1672s

AMENDED ANALYSIS

This bill replaces the greenhouse gas emission fund with the energy efficiency fund, lowers the rebate threshold for auction proceeds to \$1, and allocates the remaining proceeds received by the state from the sale of allowances to core energy efficiency programs funds by system benefits charges. The bill also requires the legislative oversight committee on electric utility restructuring to monitor and report on certain core energy efficiency programs.

The bill contains a contingent repeal of New Hampshire's regional greenhouse gas initiative cap and trade program if a New England state which has at least 10 percent of the total load of the 10 states participating in the initiative withdraw from participation in the initiative.