



## **THE NEW POLITICS OF RENEWABLE ENERGY IN NEW HAMPSHIRE**

**Jim O'Brien**

It is always interesting to watch how politics can get in the way of sound decision making in Concord—especially in an election year. At issue this time is an amendment being proposed in the New Hampshire State Senate that will undermine a popular program designed to spur the development of renewable power – and the green jobs it will bring – just as hordes of small renewable energy businesses are beginning to take flight in our state.

In 2007, by a bipartisan and almost unanimous vote, the New Hampshire State Senate passed (and the full Legislature later adopted) a “renewable portfolio standard” or RPS. This bill mandated that electric utilities have a certain percentage of renewable energy in their mix, so that by 2020, just under 25% of New Hampshire’s electricity would come from renewable sources such as wind, solar and biomass. The result would be to reduce the money leaving our state to buy fossil fuels, create new small businesses in our state, and cut pollution.

There are many ways for utilities to meet the RPS requirement. Chief among them is for the utilities to purchase renewable energy on the open market. Under current New Hampshire law, if a utility is unable to secure the renewable energy it needs to meet the RPS goal, then it is required to pay a fee. These fees are collected by the state and distributed through an open, transparent, and competitive process run by the Public Utilities Commission (PUC). The RPS monies were intended to create incentives for homeowners, business and municipalities to invest in renewable power.

Support for, and the ultimate success of, the 2007 legislation came about by building consensus from affected stakeholders. The state’s utilities, major industries, small businesses, environmental interests, government agencies and consumer advocates all coalesced and were able to agree on the carefully balanced goals and design of the Renewable Energy Act. For the first time in New Hampshire’s history, the creation of a market-based approach to renewable energy development was underway.

As expected, the enactment of the Renewable Energy Act was met with bipartisan fanfare. State officials from the Governor to members of the House of Representatives showcased their support in campaign ads and fundraising letters. The RPS was seen as a long-term program to move the state’s energy mix from being completely dependent on fossil fuels, to one with a sustainable mix of coal, natural gas and renewable generation.

Unfortunately in Concord, political expediency sometimes trumps well thought out policy.

Over the past few weeks, an amendment has been quietly introduced that will severely undermine the Renewable Energy Act, and may destroy the broad-based coalition, credibility and goodwill – not to mention small green businesses of the future – that it has fostered over the past few years.

The proposed amendment offered by Senator Martha Fuller Clark would allow utilities who do not meet the required percentage of renewable power to keep the fees they now send to the state in order to build their own renewable projects. It is hardly surprising that utilities would rather own and profit from renewables built with ratepayers' money than to be forced to purchase the green power from the open market. This is a rational business decision on their part, but it stands in direct contrast to the goals of the Renewable Energy Act, and the underlying agreement reached by the stakeholders in the process.

If the state's largest utilities have projects that make sense - both economically and environmentally - they already have multiple ways to secure funding. They can apply to the PUC to raise the money from ratepayers, or they can participate in the established "request for proposals" (RFP) process, competing on a level playing field with projects proposed by businesses, municipalities and homeowners. The proposed Senate amendment would circumvent the established RFP process, tilt the playing field to favor large utilities over New Hampshire homeowners, businesses, and municipalities, and put politicians in charge of picking winners and losers in the state's renewable energy marketplace.

New Hampshire now has hundreds of entrepreneurs working on renewable development projects. Businesses such as New England Wood Pellet in Jaffrey, Green Energy Options Solar Store in Keene, and ReVision Energy and Revolution Energy in Dover are ready, willing, and able to compete for RPS dollars. They are also ready to follow the fair, open RFP process established in the Renewable Energy Act. If the amendment goes through, political leaders in the state will effectively pull the rug out from under these growing businesses by changing the rules of the game – not based upon a problem with the law or a lack of demand from customers – but for short term political gain through an illusion of quick job creation.

This amendment is precisely what the proponents of the Renewable Energy Act were afraid would happen. But in a political atmosphere where elected officials are competing to show how much they care about creating jobs, real competition – and real job creation – will suffer. A single amendment to one bill can undermine the trust and cooperation of diverse stakeholders, compromise the state's policy credibility, and stall its progress toward the clean, distributed new energy economy. If New Hampshire wants a diverse energy mix, if it wants energy entrepreneurs building their businesses and creating real jobs in the state, then it needs to stick to a plan where everyone competes on equal footing.

If the politicians in Concord want to show they care about renewable energy jobs, their best bet is to leave the Renewable Energy Act alone, and to campaign *this* November on how they voted to preserve this important and popular program.

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Jim O'Brien is Executive Director of Conservation New Hampshire, a state based environmental advocacy organization located in Concord.