

**2010 SPECIAL SESSION HB 1-FN-A – VERSION ADOPTED BY BOTH
BODIES**

AN ACT relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, relative to the due date for the Medicaid enhancement tax, and making certain general fund reductions and tax and revenue changes. . . .

46 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other law to the contrary, for the fiscal year ending June 30, 2010, the department of administrative services shall transfer funds from the following accounts or funds maintained separately on the books of the state to the general fund in the following amounts:

Account/Fund Amount Transferred to General Fund

Statewide Public Boat Access Fund, RSA 233-A:13 \$500,000

Nitrogen Oxide Emissions Reduction Fund, RSA 125-J:13, II \$90,000

Laboratory Equipment Fund, RSA 131:3-a, II \$100,000

New Hampshire Hazardous Waste Cleanup Fund, RSA 147-B:3 \$100,000

Default Bench Warrant Fund, RSA 263:56-d \$100,000

Fire Standards and Training and Emergency Medical
Services Fund, RSA 21-P:12-d \$1,500,000

Recount Administrative and Fee Account, RSA 660:31 \$110,000

Reflectorized Plates Inventory Fund, RSA 228:25 \$250,000

Education Credentialing Fund, RSA 186:11, X \$250,000

Sludge Analysis Fund, RSA 485-A:4, XVI-c \$25,000

Wastewater Plant Operator Certification Fund, RSA 485-A:7-a \$75,000

Navigation Safety Fund, RSA 270-E:6-a \$700,000

Criminal Records Fund, RSA 106-B:7, II \$250,000

Motorcycle Rider Safety Fund, RSA 263:34-e \$100,000

Police standards and training council training fund, RSA 188-F:30 \$800,000

Greenhouse gas emissions reduction fund, RSA 125-O:23 \$3,100,000 . . .

115 Office of Energy and Planning; Community Development Finance Authority. The office of energy and planning (OEP) shall, contingent upon approval by the United States Department of Energy, allocate \$3,100,000 of American Recovery and Reinvestment Act of 2009 (ARRA) State Energy Program funding to the Enterprise Energy Fund administered by the community development finance authority (CDFA), for distribution to commercial business as loans and grants in accordance with OEP's ARRA business loan and grants program.

107 Dedicated Funds. Notwithstanding RSA 6:12 or any other law to the contrary, for the fiscal year ending June 30, 2011, the governor is hereby authorized to identify an amount up to \$4,200,000 of dedicated funds for transfer to the general

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fund. The department of administrative services shall transfer the amounts of the funds identified by the governor to the general fund.

108 Reporting Requirements for Dedicated Funds. Amend the introductory paragraph of RSA 6:12-e to read as follows:

6:12-e Reporting Requirements for Dedicated Funds. The definitions established in RSA 6:12 shall apply to this section. The administrator of each fund, account, or trust listed in RSA 6:12, RSA 6:12-b, RSA 6:12-c, and RSA 6:12-d shall complete and file [~~a biennial~~] *an annual* report with the commissioner of administrative services on or before September 15, 2009, and each [~~odd-numbered~~] year thereafter. The commissioner of administrative services shall *compile these reports into a single document on or before November 15 of each year and forward it to the governor, the president of the senate, the speaker of the house of representatives, and the legislative budget assistant. The commissioner of administrative services shall also forward* the reports to the relevant legislative policy committees of the house and senate as indicated on said reports by the administrator of each fund, account, or trust by November 15. Each [~~biennial~~] *annual* report shall include, but not be limited to:

EXISTING STATUTES OF NOTE:

6:12 Application of Receipts. –

I. The requirement that the state treasurer shall establish and maintain an account or fund separately in the accounting records of the state shall be met by the department of administrative services in the following manner:

(a) The department of administrative services shall establish and maintain an account or fund in the accounting system of the state.

(b) Moneys received by the state treasurer, as provided in RSA 6:11, shall be accounted for in the state's accounting system as general revenue of the state, with the exception of the following dedicated funds or accounts: . . .

(253) Moneys deposited in the renewable energy fund established under RSA 362-F:10.

(272) Moneys deposited in the greenhouse gas emissions reduction fund established in RSA 125-O:23.

6:12-a Refunds. – Whenever it shall appear that a state department or agency has in the course of its administration received funds from sources outside the state treasury designated as revenue, which said funds have been paid into the treasury, and it is later found that certain of said revenue so paid in is in excess of the amounts which should legally be paid to the state, the head of the department or agency concerned may certify the facts of such excess revenue to the commissioner of administrative services and request a repayment thereof to the persons entitled thereto. The governor, with the consent of the council, may, in such instances, draw his warrants for the repayment of such excess revenue from funds in the treasury not otherwise appropriated and the commissioner of administrative services and the treasurer shall credit such repayments to the proper revenue item for the department or agency concerned.

6:12-b Maintenance of Funds Collected Pursuant to Electric Utility Restructuring Orders. – On request of the public utilities commission, the state treasurer shall maintain custody over funds collected by order of the public utilities commission consisting of only that portion of the

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system benefits charge directly attributable to programs for low income customers as described in RSA 374-F:4, VIII(c). All funds received by the state treasurer pursuant to this section shall be kept separate from any other funds and shall be administered in accordance with terms and conditions established by the public utilities commission. Plans for the administration of such funds shall be approved by the fiscal committee of the general court and the governor and council prior to submission to the public utilities commission. Appropriations and expenditures of such funds in fiscal years 2002 and 2003 shall be approved by the fiscal committee of the general court and the governor and council prior to submission to the public utilities commission. For each biennium thereafter, appropriations and expenditures of such funds shall be made through the biennial operating budget.

6:12 Application of Receipts.

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(b) Moneys received by the state treasurer, as provided in RSA 6:11, shall be accounted for in the state's accounting system as general revenue of the state, with the exception of the following dedicated funds or accounts:

(1) Moneys received by the state lottery commission, which shall be credited to the sweepstakes special fund.

(2) Moneys received by the fish and game department, which shall be credited to the fish and game fund.

(3) Fines received for violations of RSA 214:12 and any monetary damages recovered pursuant to RSA 211:74, which shall be credited to the fish and game fund.

(4) Fees collected by the department of safety under RSA 107-B, which shall be credited to the New Hampshire nuclear planning and response fund.

(5) All moneys received from the division of motor vehicles which are derived from registration fees, operators' licenses, gasoline road tolls or any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels, or any other fee collected by the division of motor vehicles, but not including any revenue from fines and forfeitures assessed against any violator of any state law relative to the use and operation of motor vehicles, after deducting the amount allowed by the legislature for maintaining the division of motor vehicles, which shall be credited to the department of transportation for maintenance of highways.

(6) Moneys received by the police standards and training council, which shall be credited to the police standards and training council training fund.

(7) Costs charged back to the state or its agencies, counties, cities or towns which are incurred by the division of

*[Paragraph I(b)(259) repealed by 2007, 263:98,
III, effective June 30, 2011.]*

(259) Moneys deposited in the comprehensive cancer plan fund established under RSA 126-A:64.

*[Paragraph I(b)(260) repealed by 2007,
296:6, effective June 30, 2011.]*

(260) Moneys deposited in the workers' compensation fraud fund established in RSA 281-A:7, I(a)(2).

(261) Moneys deposited in the New Hampshire Rx advantage program fund pursuant to RSA 161-L:5.

*[Paragraph I(b)(262) repealed by 2007,
323:9, effective July 1, 2011.]*

(262) Moneys deposited in the workers' compensation fraud fund established in RSA 228:4-b, IV.

(263) Moneys deposited in the medico-legal investigation fund pursuant to RSA 611-B:28.

(264) Moneys deposited in the mediation and arbitration fund, established under RSA 490-E:4.

(265) Moneys deposited in the debt recovery fund by the treasurer under RSA 7:15-a, IV.

(266) All moneys deposited in the regional transportation coordination fund under RSA 239-B:5

(267) Moneys deposited in the workers' compensation fraud fund established by RSA 281-A:2, VI(c).

(268) Moneys deposited in the milk producers emergency relief fund established under RSA 184:107.

(269) Moneys deposited in the Portsmouth-Kittery Bridge fund under RSA 234:66.

(270) Moneys deposited in the large animal veterinarian net tuition repayment fund established in RSA 200-J:7.

(271) Moneys deposited in the energy efficiency fund established in RSA 21-I:19-f.

(272) Moneys deposited in the greenhouse gas emissions reduction fund established in RSA 125-O:23.

(273) Moneys deposited in the ICF separate account established in RSA 84-D:5.

(274) Moneys deposited in the stormwater utility fund established under RSA 149-I:10-a.

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(c) "Dedicated fund or account" means moneys collected by the state from a specific source in the form of taxes, fees, licenses, fines, donations, gifts, or other sources as designated by statute, a requirement of federal law, or other legal arrangements that must be spent for a specific program or purpose.

(d) "Revolving fund or account" means a fund or account that, when initially established, is intended for repeated expending and replenishment of resources for a specific program or purpose.

(e) "Escrow fund or account" means an arrangement whereby moneys or other property are placed into the temporary safekeeping of a neutral and uninterested third party and which may be released only upon the fulfillment of certain predetermined conditions or by agreement of the interested parties.

(f) "Trust" means an arrangement, usually with a formal written agreement, contract, or will of deceased person, whereby money or other property is placed under the legal ownership and control of a person, the trustee, who is responsible for administering it, with specific instructions about how the principal or corpus is to be managed, invested, and disposed, for the benefit of others, the beneficiary or beneficiaries.

(g) "Trustee" means a person named in a trust agreement, as a trusted third party, to nominally own, protect, and manage moneys or other assets for the benefit of a beneficiary in accordance with the terms of the agreement. A trustee is usually charged with investing prudently and productively on behalf of the beneficiary and may be allowed some compensation or recovery of costs incurred in the administration of a trust. Restrictions of a trust may include, but are not limited to, commingling other moneys or assets with that of the trust, entering into any transactions with the trust, and benefiting from the trust. Only when the intention or the purpose of the trust is fulfilled may a trustee be discharged of these duties.

(h) "Agency fund or account" means an arrangement whereby moneys or other assets are received by the state as an agent for other governmental units, other organizations, or individuals and are held in a custodial capacity. The state, as a holder of these assets, agrees to remit the assets, income from the assets, or both, to a specified beneficiary at a specified time.

VIII. A distribution company may recover the actual, prudent and reasonable costs of investments in carbon emissions reduction or capture technologies through its default service charge pursuant to RSA 369-B:3, IV(b)(1)(A), provided that the commission first determines that the investment is in the public interest.

HISTORY

Source. 2008, 182:2, eff. June 11, 2008.

125-O:23 Greenhouse Gas Emissions Reduction Fund.

I. There is hereby established a greenhouse gas emissions reduction fund. This nonlapsing, special fund shall be continually appropriated to the commission to be expended in accordance with this section. The state treasurer shall invest the moneys deposited therein, as provided by law. Income received on investments made by the state treasurer shall also be credited to the fund. All programs supported by these funds shall be subject to audit by the commission as deemed necessary. A portion of the fund moneys shall be used to pay for commission and department costs to administer this subdivision, including contributions for the state's share of the costs of the RGGI regional organization. Any new employee positions to be paid for using fund moneys shall be approved by the fiscal committee of the general court pursuant to RSA 124:15. The commission shall transfer from the fund to the department such costs as may be budgeted and expended, or otherwise approved by the fiscal committee and the governor and council, for the department's cost of administering this subdivision.

II. Fund moneys shall be used to support energy efficiency, conservation, and demand response programs to reduce greenhouse gas emissions generated within the state, which may include programs proposed and administered by private entities, as well as by the department, the commission, and other state and local governmental agencies. Such programs may include, but not be limited to, improving the electrical and thermal energy efficiency of New Hampshire's residential housing and commercial building stock via weatherization, energy auditing, energy efficiency related work force training and development, revolving loan funds for efficiency related investment, related industrial process and control systems, integration of passive solar heating

and ventilation systems, and efforts to increase adherence to energy related building and electrical codes. These funds shall not be transferred or used for any other purpose.

III. At least 10 percent of the moneys shall be used to assist low-income residential customers, as defined by the commission and in a manner compatible with other low-income programs administered by the commission, to reduce total energy use including heating fuels and to foster the development and retrofitting of highly efficient and affordable housing.

IV. Notwithstanding paragraphs I, II, and III, all amounts in excess of the threshold prices listed below for any allowance sale made prior to January 1, 2016 that are deposited in the fund shall be rebated to all electric ratepayers in the state on a per-kilowatt-hour basis, in a timely manner, to be determined by the commission. For the following years listed, the threshold price shall be:

- (a) 2009, \$6/ton.
- (b) 2010, \$8/ton.
- (c) 2011 and 2012, \$9/ton.
- (d) 2013 and 2014, \$12/ton.
- (e) 2015, \$15/ton.
- (f) After 2015, no threshold price.

V. In the event that the commission finds that a significant amount of unencumbered dollars have accumulated in the greenhouse gas emissions reduction fund, and are not needed for program purposes, the commission shall refund such unencumbered dollars to ratepayers in a timely manner.

VI. All penalties collected pursuant to this subdivision shall be deposited in the greenhouse gas emissions reduction fund.

VII. In selecting programs to be funded under this section the commission shall consider, at a minimum, the extent to which the proposed program can be expected to:

- (a) Reduce greenhouse gas emissions from all fuels used to provide electricity, heating, and cooling in New Hampshire;
- (b) Be cost-effective;
- (c) Reduce New Hampshire's peak electric load;
- (d) Promote market transformation, innovative technology and economic development, and energy cost savings; and

(e) Otherwise be consistent with the public interest and the purposes of this subdivision.

VIII. The commission may enter into agreements for the implementation of programs under this section that are contingent, in whole or in part, on future proceeds from budget allowance auctions held within 12 months of the date such agreements become effective.

HISTORY

Source. 2008, 182:2, eff. June 11, **Amendments—2009.** Paragraph 2008. 2009, 236:2, eff. July 16, 2009. VIII: Added.

125-O:24 Conversion of Allowances.

I. PSNH shall receive credit for allowances received prior to the inception of the RGGI program in the manner described in this section.

II. PSNH shall submit all necessary documentation to the department by January 30, 2009 relative to compliance with RSA 125-O:3, III(d).

III. PSNH shall submit all necessary documentation to the department within 90 days of the effective date of this paragraph relative to RSA 125-O:5, III.

IV. As soon as practicable after the start of the program, the department shall determine the number of allowances previously allocated to PSNH under RSA 125-O:3, II or awarded to PSNH under RSA 125-O:5, III, that remain in PSNH's account of CO₂ allowances held by the department as banked allowances, after the company has completed compliance with the emissions cap of RSA 125-O:3, III(d) for the 2007 and 2008 calendar years.

V. At the distribution rate specified in paragraph VI, the department shall grant to PSNH budget allowances, at no cost, equivalent to the total of the banked allowances pursuant to paragraph IV minus the early reduction allowances granted to PSNH under RSA 125-O:21, IV. PSNH shall be obligated to apply for early reduction allowances for any eligible projects it has undertaken.

VI. The department shall grant budget allowances pursuant to this section as expeditiously as possible, but in no event shall the amount of budget allowances granted pursuant to this section total more than 2.5 million allowances per year in years 2009,

New Hampshire Climate Change Policy Task Force

The New Hampshire Climate Action Plan

A Plan for New Hampshire's Energy, Environmental
and Economic Development Future



Prepared by NH Department of Environmental Services
March 2009

The New Hampshire Climate Action Plan

*A Plan for New Hampshire's Energy, Environmental
and Economic Development Future*

March 2009

**The Honorable John Lynch
Governor**

**Prepared by the
New Hampshire Climate Change Policy Task Force**

**Thomas S. Burack, Chair
Commissioner
N.H. Department of Environmental Services**

Executive Summary

THE ENERGY AND CLIMATE CHALLENGE

Over the course of a year, through a process that engaged over 125 stakeholders and received input from over 200 citizens, the 29 members of Governor John Lynch's Climate Change Policy Task Force developed this Climate Action Plan which is aimed at achieving the greatest feasible reductions in greenhouse gas emissions while also providing the greatest possible long-term economic benefits to the citizens of New Hampshire. The most significant reductions in both emissions and costs will come from substantially increasing energy efficiency in all sectors of our economy, continuing to increase sources of renewable energy, and designing our communities to reduce our reliance on automobiles for transportation. In essence, a response to climate change and our economic future are inextricably tied to how we produce our energy and how much energy we use. Future economic growth in New Hampshire as well as mitigation of, and adaptation to, a changing climate will depend on how quickly we transition to a new way of living that is based on a far more diversified energy mix, more efficient use of energy, and development of our communities in ways that strengthen neighborhoods and urban centers, preserve rural areas, and retain New Hampshire's quality of life.

THE OPPORTUNITY

New Hampshire's Climate Action Plan presents an opportunity to:

- Spur economic growth through investment in our own state's economy of monies currently spent on energy imports.
- Create jobs and economic growth through development of in-state sources of energy from renewable and low-emitting resources, and green technology development

and deployment by New Hampshire businesses.

- Avoid the significant costs of responding to a changing climate on the state's infrastructure, economy, and the health of our citizens.

THE IMPORTANCE OF OUR FORESTS

Preserving our working forests and avoiding conversion of our forest lands to other purposes will be critical to the success of New Hampshire's Climate Action Plan. New Hampshire is currently 84 percent forested, and the forest products industry has been and will continue to be a key component of our state's economy. In addition, our tourism and outdoor recreation economies are heavily dependent on the health of our forests. Sustainably managed forests in New Hampshire provide a broad range of benefits, including: the ability to absorb and store large amounts of carbon; renewable supply of wood for heating, lumber, and a variety of forest products; and recreational opportunities.

TASK FORCE RECOMMENDATIONS

The Task Force recommends that New Hampshire strive to achieve a long-term reduction in greenhouse gas emissions of 80 percent below 1990 levels by 2050. The goal of reducing greenhouse gas emissions by 80 percent by 2050 has been adopted by numerous states, cities and organizations¹. This goal is based on the reductions that climate scientists believe to be necessary to stabilize greenhouse gases in the atmosphere at or below 450 parts per million CO₂. It has been projected that stabilizing the concentrations of greenhouse gases at this level will avoid the most severe and catastrophic potential impacts of climate change².

In order to move toward this long-term goal and provide the greatest economic opportunity to the state of New Hampshire, the Task Force recommends 67 actions to:

- Reduce greenhouse gas emissions from buildings, electric generation, and transportation.
- Protect our natural resources to maintain the amount of carbon sequestered.
- Support regional and national initiatives to reduce greenhouse gases.
- Develop an integrated education, outreach and workforce training program.
- Adapt to existing and potential climate change impacts.

Based on the greenhouse gas emission reductions projected for the recommended actions, the Task Force has chosen a mid-term goal of reducing greenhouse gas emissions 20 percent below 1990 levels by 2025. All of the recommended actions can be implemented immediately or through a phased-in approach that can expand implementation as technology evolves and economic means become available. The sooner reductions are accomplished, the greater the economic benefit; actions can either begin more quickly to provide a fairly steady rate of greenhouse gas emission reductions or they could be delayed, thus requiring larger reductions at a later time. **Delays in achieving reductions would result in increased implementation costs, thus reducing their economic benefit and making it more difficult to reach the long-term goal.**

To achieve the goals in the Plan, the Task Force recommends the formation of a public/private partnership – the

New Hampshire Energy and Climate Collaborative – to oversee and guide early implementation of the NH Climate Action Plan. Effectively, the Collaborative will be “the keeper of the Plan.” The primary purpose of the Collaborative will be to track and facilitate implementation of the Plan’s recommendations, and to report to the Governor, Legislature, and general public on progress toward achieving the desired outcomes.

New Hampshire’s Climate Action Plan will benefit the economy, increase state and regional energy security, and improve environmental quality. By implementing the actions recommended by the Task Force, New Hampshire will achieve substantial emission reductions beginning immediately, using cost-effective, available technology. The greatest reductions would come from improvements in the building sector, followed by the transportation and the electric generation sectors. These emission reductions are associated with significant reductions in energy consumption. The total impact of the recommended actions will be sufficient to place New Hampshire on a track to achieve substantial reductions in the mid-term and to be well placed to achieve the more aggressive reductions over the long-term. Additional measures will be needed in the long-term to achieve the 80 percent below 1990 levels reduction target. Such measures are likely to be based on the widespread adoption of new and advanced technologies.