

**Women In Government
First Annual Energy Summit
Guiding Principals for a Balanced Energy Approach
September 10-12, 2009
Denver, Colorado**

Saturday, September 12, 2009

10:25am – 11:25am

State Panel – Developing Energy Legislation in Your State

Representative Naida Kaen

Chair, Science, Technology and Energy Committee
New Hampshire State Legislature

Representative Naida Kaen's Notes on Energy Legislation Activity in New Hampshire

New Hampshire is a small state in a region comprised of relatively small states. As much as we would all like to act independently, we have come to learn, perhaps sooner than others, that pollution does not respect political boundaries. Interactions with the EPA under the Clean Air Act forced us to find ways to deal with non-attainment of clean air standards and to acknowledge our interdependence and coordinate our efforts, not only with other Northeastern states, but also with our Canadian neighbors to the north. We were threatened with a requirement for costly tail-pipe testing programs and then settled for MTBE as a gasoline additive, which has now become a proven worse water contaminant that has driven us to substituting costly corn ethanol. This is a very unpopular resolution locally, given the effects it has had on food prices world-wide.

“Regional transport” became recognized and documented as a contributor to our dirty air in the late 1990s. Not only was previously rural New Hampshire the fastest-growing New England state, producing more pollution than in the past, but it was the recipient of emissions from south and west of us. Our Canadian neighbors were getting it too. (New England uses very little coal to produce electricity.) One notable outcome of this recognition was that, in 2001, the New England Governors and Eastern Canadian Premiers agreed to work together on a plan to address global warming and reduce greenhouse gas emissions. This set the stage for a Renewable Portfolio Standard (RPS) – 25% renewables by 2025 as the goal in NH – and the Regional Greenhouse Gas Initiative (RGGI), which now includes 10 states in regional auctions of carbon allowances. The proceeds from this go largely to support energy efficiency efforts. That, in turn, supports our local economy with new green jobs and reduces the demand for power, thereby permitting the region to avoid otherwise higher carbon emissions.

Change did not happen easily and it did not happen quickly. In New Hampshire, such government action requires legislation rather than just a gubernatorial declaration and execution by the agency. We have 400 state representatives and 24 senators. We have elections every two years and we each get paid \$100/year plus mileage. That makes us volunteers. It also means we have about 1/3 turnover every two years. Education is a challenge. Only a few of our part-time legislators can devote the time to understand complicated issues and many simply vote as they see fit. One very credible objector can kill a bill.

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The first attempts to pass both an RPS and RGGI stalled in “study” after two years of discussion. While the executive branch wanted it to happen, the Science, Technology & Energy Committee in the House included members who doubted what the Union of Concerned Scientists were telling us. Next move: create an all-inclusive collaborative led by agency staff to craft a compromise that everyone can live with. RPS went first and “buy-in” was achieved in 2007. With RGGI the going was tougher, with all parties participating in a series of 20+ meetings over another two years. The final hurdle was to demonstrate to the business community that passage would do no harm. To this end an analysis was completed by economists from our state university, which demonstrated that participating in RGGI was in the state’s overall best interests. So, at that point in time (also having the benefit of the public’s better understanding of climate change) RGGI passed in 2008. We now have the benefit of having participated in several CO2 auctions and put in place a process for distributing the funds for energy efficiency projects, delivery of services, access to information, and training.

As for our RPS, it has sparked a lot of interest among merchant generators to create relatively small-scale wind and biomass projects which necessarily need to be in remote locations. The unresolved problem is how to fund and build the transmission to connect them to the market. The model used by the Independent System Operator in the past assumes a single large electric plant, which would itself justify the transmission build-out. These new projects are proposed by competitors who refuse to collaborate. Over a year of study and meetings of a legislatively formed Transmission Commission with all the parties represented has not generated a way forward. The entire region would stand to benefit from the development of these renewables, but there is no mechanism to distribute the costs unless all states in the region agree. Federal help would be welcomed, but I fear our small case might not get attention. At the same time, there are discussions underway with Hydro-Quebec to upgrade an existing transmission corridor which runs through New Hampshire for delivery and sale of their hydro output to Massachusetts. If this were to proceed, the dynamics could change the picture dramatically.

In the meantime, higher energy costs (primarily home heating oil) have driven many in the region to heat their homes with wood, thereby contributing further to air pollution. In New Hampshire, for example, this response by many individuals has threatened to add another section of the state to non-attainment status and in some suburban neighborhoods pitted neighbor against neighbor. The legislature responded by passing a bill to regulate the sale of outdoor wood-burning boilers and to put in place rules for their operation, but issues remain.

Should anyone want to contact me for a further discussion of the above or other issues, please call me at 603-659-2205 and leave a message or send me an email, NaidaKaen@hotmail.com.

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