



February 10, 2011

HB 519: REPEAL OF THE REGIONAL GREENHOUSE GAS INITIATIVE (RGGI)

Chairman Garrity and Members of the Science, Energy and Technology Committee:

The New Hampshire conservation community appreciates this opportunity to share our opposition to HB 519, an effort to repeal New Hampshire's participation in the Regional Greenhouse Gas Initiative.

The repeal of this important program is shortsighted, would undermine the state's environmental and energy goals, is not in the best interest of ratepayers, and would create an atmosphere where New Hampshire citizens would question the Legislature's commitment to reducing carbon emissions and our reliance on foreign oil. Rather than repeal, we urge a careful and thorough review of the RGGI program in order to make any needed reforms.

Many on this Committee will remember the months of public hearings, informational sessions and debate on HB 1434 that took place just two years ago. This large stakeholder process was necessary so that the state's business community, conservation organizations and legislators all understood the ramifications and complexity of New Hampshire's electrical generation infrastructure, as well as the environmental need for, and economic benefit of investing in energy efficiency.

HB 519 and the attempt to repeal RGGI stands in sharp contrast to the process described above. One rushed public hearing on a bill that attempts to drastically reshape and redefine New Hampshire's energy policy is not prudent, nor in the best interests of ratepayers or the environment. There has been no inclusive stakeholder process in order to find a compromise that would be in New Hampshire's best interests, and there is little understanding of how this repeal bill would alter New Hampshire's regulatory process.

RGGI is functioning effectively in New Hampshire - creating jobs, reducing emissions, increasing the competitiveness of our companies and decreasing expenses for New Hampshire municipalities. RGGI has been a catalyst for innovation in the energy efficiency marketplace, and will result in lifetime energy savings that will far exceed RGGI generated energy efficiency investments.

HB 519 is surely not in the best interest of New Hampshire ratepayers. Our state is not an island unto itself, and electricity is bought and sold in a regional marketplace. Because all of our neighboring states are part of RGGI, the cost of compliance is built into the cost of the electricity being sold and

purchased by New Hampshire's utilities. By repealing the program, New Hampshire ratepayers will not avoid the program, but New Hampshire homeowners and businesses will see none of the benefits of energy efficiency. Numerous reports by New Hampshire's leading economists, most notably from University of New Hampshire, demonstrate that repealing RGGI will cost New Hampshire ratepayers and our economy more than remaining in the regional program. Likewise, UNH is in the midst of a review of NH's implementation and results of our energy efficiency investments that should be considered within the context of HB 519.

As a state, we are heavily reliant on the importation of fossil fuels to do everything from heating our homes to producing electricity. Our businesses and homeowners spend over \$3 billion annually in fossil fuel purchases - money that is leaving our state, our region and our country. RGGI is designed to help keep some of that money here in our state by helping our residents lower their demand for these imported fuels. RGGI is investing in our state by putting New Hampshire people to work in tightening up our homes, businesses and municipal buildings. RGGI will not stop the need for New Hampshire to import fossil fuels, but it will help to keep some of our money in our state's economy - putting people to work and saving money over the short and long term on energy bills.

We understand that there is no perfect government program - and that holds true for RGGI. Anytime public money is spent, a careful and thorough analysis needs to be done to ensure that the money is being used effectively - that is in all of our best interests. The state's conservation community is ready to work with the legislature, business leaders and other stakeholders on finding ways to refine the program. This was envisioned by the RGGI states in agreeing to undertake a comprehensive 2012 program review to make any refinements needed so that the RGGI program meets the needs of businesses and homeowners alike. The New Hampshire DES and PUC are actively working on this review and strongly support NH's continued participation in the program.

Thank you for your careful consideration of the Regional Greenhouse Gas Initiative and we urge the Committee to vote HB 519 Inexpedient to Legislate.

Sincerely,

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