

# Climate Change & Electricity in New Hampshire

## Electricity Supply & Cost

**PSNH customers today have one of the lowest energy rates in New England.** This is the direct result of NH's decision several years ago to allow PSNH to continue to own and operate regulated generation at prices reviewed and approved by the New Hampshire Public Utilities Commission.

PSNH can meet 62% of its 500,000 customers' electricity needs through fossil-fuel (oil, coal, and natural gas) and renewable energy (hydro and wood chip) plants that it owns. It purchases the remaining 38% from the New England Wholesale Energy Market.

**Reducing New Hampshire's Carbon Footprint.** Two energy policy initiatives are underway in NH to reduce the amount of carbon dioxide that is emitted from the state's fossil-fuel plants. Carbon dioxide is one of the key greenhouse gases that contributes to global warming.

**Renewable Portfolio Standard (RPS):** Passed in 2007, this legislation will require that 25% of NH's electricity come from renewable energy sources by 2025.

**Regional Greenhouse Gas Initiative (RGGI):** NH, along with nine other states, has agreed to a regional plan for reducing carbon emissions from fossil-fuel plants. This regional agreement will be implemented at the state level, and can be adjusted within a framework set forth by a Memorandum of Understanding to suit each of the 10 state's needs.

## A Practical, Balanced Approach is Needed to Reduce Carbon Emissions and Keep Customers' Rates Stable

PSNH, along with the majority of NH consumers, is committed to reducing carbon emissions at fossil-fuel plants. In fact, PSNH has already made investments that will decrease carbon dioxide emissions from its power plants by nearly 10 percent – without diminishing the amount of electricity they are able to generate. **PSNH supports the goals of both the RPS and RGGI initiatives, but believes they must be implemented in a way that does not cause irreparable economic harm to customers and the state's economy or result in insufficient energy to meet customers' demand.**



Public Service  
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The Northeast Utilities System

## How Can this Balanced Approach be Achieved?

- NH policymakers must ensure that the rules governing how RGGI is implemented in NH work for our state while striving to assure a reliable and reasonably priced supply of electricity. This means **NH must protect its competitive rate advantage, while achieving measurable carbon reductions from a variety of carbon sources.**
- A percentage of the funds generated by the sale of RGGI carbon allowances to electric utilities must be invested in NH energy-efficiency measures to help reduce consumers' demand for electricity, and to reduce the increased energy cost on customers.
- NH must unleash the value of regulated generation to consumers and the state's economy in its future energy planning. Allowing regulated utilities (like PSNH) to build new renewable energy plants would be beneficial to NH's natural environment and to consumers' pocketbooks.
- NH and the region must work together to identify clean energy sources from outside of New England to meet the region's electricity needs.
- New England is projected to need about 3,500 MW of additional electric generation by 2016. With few new plants currently under development in the region, we must look at a variety of supply options, including importing CO<sub>2</sub>-neutral electricity from Canada to meet our needs.



- Assured supply of electricity to meet customers' needs
- Predictable prices for electricity
- Continued economic viability for NH

- Reduced greenhouse gas emissions
- Increased energy-efficiency programs
- Increased use of renewable and carbon-free generation (e.g. biomass, solar, wind, etc.)