

HOUSE No. 3854

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, November 17, 2015.

The committee on Ways and Means, to whom was referred the Senate Bill providing for the establishment of a comprehensive adaptation management plan in response to climate change (Senate, No. 1979), reports recommending that the same ought to pass with amendments by striking all after the enacting clause and inserting in place thereof the text contained in House document numbered 3854; by inserting before the enacting clause the following emergency preamble: “Whereas, The deferred operation of this act would tend to defeat its purpose, which is to provide forthwith for the continued support of solar power generation and a transition to a stable and equitable solar market at a reasonable cost to ratepayers, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.”; and by striking out the title and inserting in place thereof the following title: “An Act relative to solar energy”.

For the committee,

BRIAN S. DEMPSEY.

HOUSE No. 3854

Text of amendments recommended by the committee on Ways and Means to the Senate Bill providing for the establishment of a comprehensive adaptation management plan in response to climate change (Senate, No. 1979). November 17, 2015.

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

By striking out all after the enacting clause and inserting in place thereof the following:

1 “SECTION 1. Section 1A of chapter 164 of the General Laws, as appearing in the 2014
2 Official Edition, is hereby amended by striking out, in line 207, the figure ‘25’ and inserting in
3 place thereof the following figure:- 35.

4 SECTION 2. Said section 1A of said chapter 164, as so appearing, is hereby further
5 amended by striking out, in lines 209 and 210, the words ‘June 30, 2014 and are constructed
6 prior to June 30, 2016’ and inserting in place thereof the following words:- December 31, 2016
7 and are constructed prior to December 31, 2017.

8 SECTION 3. Section 138 of said chapter 164, as so appearing, is hereby amended by
9 inserting after the definition of ‘Customer’ the following definition:-

10 ‘Market net metering credit’, a credit equal to the excess kilowatt-hours by time of use
11 billing period, if applicable, multiplied by the average monthly energy clearing price in the ISO-
12 NE load zone in which the net metering facility is located.

13 SECTION 4. Section 139 of said chapter 164, as so appearing, is hereby amended by
14 inserting after subsection (b) the following subsection:-

15 (b^{1/2}) Upon a determination by the department of energy resources that the aggregate
16 nameplate capacity of installed solar generating facilities in the commonwealth is equal to or
17 greater than 1,600 megawatts, the department shall certify the date that capacity has been
18 reached and provide a date of notification that all new Class I, Class II and Class III solar net
19 metering facilities in commercial operation after said date shall generate market net metering
20 credits only. A distribution company customer that uses electricity generated by a solar net
21 metering facility that generates market net metering credits may elect net metering as follows:

22 (1) If the electricity generated by the solar net metering facility under this subsection
23 during a billing period exceeds the customer's kilowatt-hour usage during the billing period, the
24 customer shall be billed for 0 kilowatt-hour usage and the excess market net metering credits
25 shall be credited to the customer's account. Credits may be carried forward from month to
26 month. A solar net metering facility may designate customers of the same distribution company
27 to which the solar net metering facility is interconnected and that are located in the same ISO-NE
28 load zone to receive such credits in amounts attributed by the solar net metering facility. Written
29 notice of the identities of the customers so designated and the amounts of the credits to be
30 attributed to those customers shall be in such a form as the distribution company shall reasonably
31 require.

32 (2) If the customer's kilowatt-hour usage exceeds the electricity generated by the
33 solar net metering facility during the billing period, the customer shall be responsible for the
34 balance at the distribution company's applicable rate.

35 SECTION 5. Said section 139 of said chapter 164, as so appearing, is hereby further
36 amended by striking out, in line 73, the figure '4' and inserting in place thereof the following
37 figure:- 6.

38 SECTION 6. Said section 139 of said chapter 164, as so appearing, is hereby further
39 amended by striking out, in line 75, the figure '5' and inserting in place thereof the following
40 figure:- 7.

41 SECTION 7. Said section 139 of said chapter 164, as so appearing, is hereby further
42 amended by inserting after the word 'from', in line 107, the following words:- subsection (b $\frac{1}{2}$)
43 and subsection (k) and from.

44 SECTION 8. Said section 139 of said chapter 164, as so appearing, is hereby further
45 amended by inserting after the word 'meter', in line 110, the following words:- and accrue Class
46 I net metering credits.

47 SECTION 9. Said section 139 of said chapter 164, as so appearing, is hereby further
48 amended by adding the following 2 subsections:-

49 (j) Distribution companies may submit to the department proposals for a monthly
50 minimum reliability contribution to be included on electric bills for distribution utility accounts
51 that receive Class I, Class II, Class III, or market net metering credits pursuant to this section,
52 subject to the review and approval of the department. Any such minimum contributions shall
53 ensure that all distribution company customers contribute to the fixed costs of ensuring the
54 reliability, proper maintenance and safety of the electric distribution system. Proposals shall be
55 filed with the department as part of: (1) a distribution company's base distribution rate
56 proceeding; or (2) a revenue neutral rate design filing that is supported by appropriate cost of

57 service data across all rate classes. The department shall approve a monthly minimum reliability
58 contribution that: (1) equitably allocates the fixed costs of the electric distribution system not
59 caused by volumetric consumption; (2) does not excessively burden ratepayers (3) does not
60 unreasonably inhibit the development of Class I, Class II, Class III facilities; and (4) is dedicated
61 to offsetting reasonably and prudently incurred costs necessary to maintain the reliability, proper
62 maintenance and safety of the electric distribution system.

63 The department may only approve a proposal for a monthly minimum reliability
64 contribution after the aggregate nameplate capacity of installed solar generating facilities in the
65 commonwealth is equal to or greater than 1,600 megawatts. The department shall conduct a full
66 adjudicatory proceeding when reviewing proposals for a monthly minimum reliability
67 contribution, which shall include at least 1 public hearing and an opportunity for public
68 comment.

69 The department may exempt or modify any monthly minimum reliability contribution for
70 low income ratepayers. The department may also exempt, for any period through the year 2020,
71 any classes or sub-classes of Class I, Class II, or Class III net metering facilities that were in
72 service on or before December 31, 2016 from any minimum reliability contributions that may be
73 adopted. Minimum monthly contributions shall take effect on such date designated by the
74 department, which shall be no later than December 31, 2018. The department may approve
75 changes to the minimum bill contributions for individual electric distribution companies in any
76 future distribution base rate case, consistent with this section.

77 (k) A Class I, Class II or Class III solar net metering facility, as defined in sections 138
78 and 139 of this chapter, shall continue to receive Class I, Class II or Class III net metering credits

79 as otherwise provided by this section if such facility is determined to be so eligible by the
80 department of energy resources prior to the date of notification that the aggregate nameplate
81 capacity of solar generating capacity in the commonwealth is equal to or greater than 1,600
82 megawatts; provided, however, that at the expiration of 15 years from the date upon which the
83 Class I, Class II or Class III solar net metering facility was authorized to interconnect to the
84 distribution system by a distribution company, such facility shall receive market net metering
85 credits.

86 SECTION 10. Notwithstanding any general or special law to the contrary, any renewable
87 energy generating source using solar photovoltaic or solar thermal electric energy that has
88 previously qualified for programs under subsection (g) of section 11F of chapter 25A of the
89 General Laws and applicable regulations, as determined by the department of energy resources,
90 and in commercial operation prior to the date of notification set forth by the department pursuant
91 to subsection (b ½) of section 139 of chapter 164 of the General Laws that the aggregate
92 nameplate capacity of solar generating capacity in the commonwealth is equal to or greater than
93 1,600 megawatts , shall continue to be subject to and receive benefits from said programs,
94 including, but not limited to, the solar carve-out program and its successors, pursuant to the
95 requirements of 225 CMR 14.00.

96 SECTION 11. (a) Notwithstanding any general or special law to the contrary, the
97 department of energy resources shall adopt rules and regulations that lower the cost of the
98 commonwealth's solar incentive programs for the ratepayers of the commonwealth; provided,
99 however, that such rules and regulations shall apply only to new solar generating facilities that
100 become operational after the aggregate nameplate capacity of solar generating facilities in the
101 commonwealth is equal to or greater than 1,600 megawatts.

102 (b) The department of energy resources shall develop a statewide solar incentive program
103 to encourage the continued development of solar renewable energy generating sources by
104 residential, commercial, governmental and industrial electricity customers throughout the
105 commonwealth. The department shall, after notice and the opportunity for public comment,
106 promulgate rules and regulations implementing a solar incentive program which: (i) promotes the
107 orderly transition to a stable and self-sustaining solar market at reasonable cost to ratepayers; (ii)
108 considers underlying system costs, including but not limited to module costs, balance of system
109 costs, installation costs and soft costs; (iii) takes into account electricity revenues and any federal
110 or state incentives; (iv) relies on market-based mechanisms or price signals as much as possible
111 to set incentive levels; (v) minimizes direct and indirect program costs and barriers; (vi) features
112 a known or easily estimated budget to achieve program goals through use of a declining
113 adjustable block incentive, a competitive procurement model, tariff or other declining incentive
114 framework; (vii) differentiates incentive levels to support diverse installation types and sizes that
115 provide unique benefits, including, but not limited to, community-shared solar facilities and
116 municipally-owned solar facilities, and which may include differentiation by utility service
117 territory, the location or the size of the solar renewable energy generating source; (viii) considers
118 environmental benefits, energy demand reduction and other avoided costs provided by solar
119 renewable energy generating facilities; (ix) encourages solar generation where it can provide
120 benefits to the distribution system; and (x) promotes investor confidence through long-term
121 incentive revenue certainty and market stability.

122 (c) Any solar incentive program developed by the department of energy resources under
123 this section shall be submitted to the department of public utilities for review and approval. The
124 department of public utilities shall consider both the potential costs and benefits of the solar

125 incentive program and shall only approve a program upon a finding that the overall benefits of
126 any such program outweigh the costs to ratepayers.

127 SECTION 12. This act shall take effect upon its passage.”; and by inserting before the
128 enacting clause the following emergency preamble: “Whereas, The deferred operation of this act
129 would tend to defeat its purpose, which is to provide forthwith for the continued support of solar
130 power generation and a transition to a stable and equitable solar market at a reasonable cost to
131 ratepayers, therefore, it is hereby declared to be an emergency law, necessary for the immediate
132 preservation of the public convenience.”; and by striking out the title and inserting in place
133 thereof the following title: “An Act relative to solar energy”.