HOUSE DOCKET, NO. 4118 FILED ON: 2/25/2014

HOUSE . . . . . No.

The Commonwealth of Massachusetts

PRESENTED BY:

Mark J. Cusack

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act reducing the cost of solar power through increased competition.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Mark J. Cusack	*5th Norfolk*	*2/25/2014*
George N. Peterson, Jr.	*9th Worcester*	*2/27/2014*
John J. Mahoney	*13th Worcester*	*2/27/2014*

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HOUSE . . . . . No.

By Mr. Cusack of Braintree, a petition (subject to Joint Rule 12) of Mark J. Cusack, George N. Peterson, Jr. and John J. Mahoney relative to the cost of renewable energy.
Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

In the Year Two Thousand Fourteen

An Act reducing the cost of solar power through increased competition.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 11F of chapter 25A of the General Laws, as so appearing, is hereby amended by adding the following subsection:-

(j) In order to reduce the overall costs to electric consumers from the deployment of solar distributed generation, the department of energy resources shall adopt amendments to its solar renewable energy certificate regulations that authorize electric distribution companies to individually and jointly propose and implement competitive procurement programs for the procurement of solar distributed generation projects 500 kilowatts nameplate and larger and any subsets thereof that commence operation on or after January 1, 2016. Such procurements may include without limitation solar renewable energy certificates and/or other market products. Any such program details, terms, and conditions must be filed with and are subject to the approval of the department of public utilities and, if approved, provide for the recovery of all reasonable program costs. When filed, such programs shall include long term payments and credits made over terms of ten to twenty years that are tied to generation production pursuant to electric distribution company tariff provisions that contain reasonable certainty of payment to the project developers so as to support financing of the solar facilities by the project developers. Upon approval of any such programs, participation in such approved programs by the applicable projects would be a condition for project eligibility to sell solar renewable energy certificates. Such procurements may be conducted jointly among electric distribution companies with cost recovery provisions that uniformly and equitably spread costs to all electric distribution customers across the Commonwealth, as approved by the department of public utilities.

SECTION 2. Section 138 of chapter 164 of the General Laws, as so appearing, is hereby amended by striking out the definition “Class I net metering facility” and inserting in place thereof the following definition:-

"Class I net metering facility", a plant or equipment that is used to produce, manufacture or otherwise generate electricity and that is not a transmission facility and that has a design capacity of 60 kilowatts or less. Any Class I net metering facility that commences operation on or after July 1, 2015 (i) may not be a remote generation facility and (ii) when behind-the-meter may not exceed the matched load size limit, provided, however, these limitations shall not apply to a neighborhood net metering facility or a remote net metering facility of a municipality or other governmental entity. To the extent a project has been under development and for circumstances beyond its reasonable control cannot commence operation by July 1, 2015, the project may seek extensions of time from the department, provided, however, that no extensions shall be granted beyond December 31, 2015.

SECTION 3. Said section 138 of said chapter 164, as so appearing, is hereby further amended by striking out the definition "Class II net metering facility" and inserting in place thereof the following definition:-

"Class II net metering facility", an agricultural net metering facility, an anaerobic digestion net metering facility, solar net metering facility, or wind net metering facility with a generating capacity of more than 60 kilowatts but less than or equal to 1 megawatt; provided, however, that a Class II net metering facility of a municipality or other governmental entity may have a generating capacity of more than 60 kilowatts but less than or equal to 1 megawatt per unit. Any Class II net metering facility that commences operation on or after July 1, 2015 (i) may not be a remote generation facility and (ii) when behind-the-meter may not exceed the matched load size limit, provided, however, these limitations shall not apply to a neighborhood net metering facility or a remote net metering facility of a municipality or other governmental entity. To the extent a project has been under development and for circumstances beyond its reasonable control cannot commence operation by July 1, 2015, the project may seek extensions of time from the department, provided, however, that no extensions shall be granted beyond December 31, 2015.

SECTION 4. Said section 138 of said chapter 164, as so appearing, is hereby further amended by striking out the definition "Class III net metering facility" and inserting in place thereof the following definition:-

"Class III net metering facility", an agricultural net metering facility, an anaerobic digestion net metering facility, solar net metering facility, or wind-net-metering facility with a generating capacity of more than 1 megawatt but less than or equal to 2 megawatts; provided, however, that a Class III net metering facility of a municipality or other governmental entity may have a generating capacity of more than 1 megawatt but less than or equal to 2 megawatts per

solar net metering, anaerobic digestion net metering, or wind net metering unit. Any Class III net metering facility that commences operation on or after July 1, 2015 (i) may not be a remote generation facility and (ii) when behind-the-meter may not exceed the matched load size limit, provided, however, these limitations shall not apply to neighborhood net metering facilities or a remote net metering facility of a municipality or other governmental entity. To the extent a project has been under development and for circumstances beyond its reasonable control cannot commence operation by July 1, 2015, the project may seek extensions of time from the department, provided, however, that no extensions shall be granted beyond December 31, 2015.

SECTION 5. Said section 138 of said chapter 164, as so appearing, is hereby further amended by inserting after the definition "Customer" and the following definition:-

"Matched load size limit", the size limit on behind-the- meter generation commencing operation on or after July 1, 2015 or by no later than December 31, 2015 if an extension of time has been granted to commence operation. Specifically, the generation must be sized to annually produce electricity in an amount that is equal to or less than the self-generator's expected usage at the eligible net metering system site measured by the three (3) year average annual consumption of energy over the previous three (3) years at the electric distribution account(s) located at the eligible net metering system site, or if there is no three-year history at the account that reflects expected future use, a reasonable forecast of usage taking into account planned electric use at the net metered site.

SECTION 6. Said section 138 of said chapter 164, as so appearing, is hereby further amended by inserting after the definition "Net metering facility of a municipality or other governmental entity" the following 2 definitions:-

“Remote generation facility” is a generating facility that is not electrically, geographically, and physically located behind the retail meter of an electric distribution customer account for whom net metering credits are intended and from which production is consumed by such customer at the location when the generating facility is producing electricity and the customer is using electricity at that location.

“Remote net metering facility of a municipality or other governmental entity,” a net metering facility of a municipality or other governmental entity that is a remote generating facility producing electricity that by agreement with a municipality or other governmental entity is intended to provide net metering credits for the accounts of the municipality or other governmental entity, provided that such remote generating facility is (i) on the property owned by the municipality or governmental entity receiving net metering credits, and (ii) the size of the remote generating facility is no more than two megawatts (2 MW) in nameplate capacity on a single parcel or contiguous parcel(s) of land which facility is not a portion of a larger segmented project. In addition, in the case of municipalities, the remote generating facility must be located within the geographical boundaries of the municipality receiving net metering credits. The

remote net metering facility of a municipality or other governmental entity may be located behind-the-meter of a municipal or governmental entity account(s) to which a portion of the output is providing on-site net metering and have the balance of any output provide net metering credits remotely to other municipal or governmental accounts of the same municipality or entity, as applicable, provided that the facility is no greater than two megawatts (2 MW) nameplate behind-the-meter. Any agreement(s) entered into after the effective date of this section between a municipality and an owner of a remote generating facility for the purposes of receiving net metering credits must contain a provision that requires the filing of such agreement(s) with the office of the attorney general sixty days before the agreement(s) can become effective. During the sixty day waiting period, the municipality shall have the unconditional right to terminate the agreement for any reason without financial or other consequences.

SECTION 7. Subsection (d) of section 139 of said chapter 164, as so appearing, is hereby amended by striking out, in line 51, the word “Distribution”, and inserting in place thereof the following words:- Except as provided in subsection (j), distribution.

SECTION 8. Subsection (f) of said section 139 of said chapter 164, as so appearing, hereby further amended by striking out, in lines 68 and 70, each time appears, the figure “3” and inserting in place thereof the following:- 4.

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

(j) By no later than July 1, 2015, the department of public utilities shall open a generic docket to establish minimum distribution bill charges for net metered customers in order to assure appropriate distribution cost allocation among rate classes in light of the reliance of net metering customers on the distribution system for distribution services when the net metering facility is not producing electricity or when excess is being delivered into the system. Such minimum bill charges shall be set at a level that results in a reasonable contribution to the cost of distribution services without eliminating the financial convenience of net metering as a means to encourage the installation and investment by end-use customers in renewable distributed generation. The department may exempt for any period through the year 2020 any classes or sub-classes of existing net metered facilities that were in service by no later than December 31, 2015 from any minimum bill charges that may be adopted. The new rates shall take effect on such date designated by the department, which shall be no later than April 1, 2016. After the rates are set in the first docket specified above, the department may approve changes to the minimum bill charges for individual electric distribution companies in any future distribution base rate cases when a fully allocated embedded cost of service study is being reviewed in the rate case.