

**HOUSE . . . . . No. 2896**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***John J. Mahoney***

*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:
<i>John J. Mahoney</i>	<i>13th Worcester</i>	<i>1/15/2015</i>

**HOUSE . . . . . No. 2896**

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By Mr. Mahoney of Worcester, a petition (accompanied by bill, House, No. 2896) of John J. Mahoney relative to implementing competitive bidding processes for solar power procurement and net metering facilities. Telecommunications, Utilities and Energy.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 2030 OF 2013-2014.]

**The Commonwealth of Massachusetts**

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

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:*

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

3 (j) In order to reduce the overall costs to electric consumers from the deployment of solar  
4 distributed generation, the department of energy resources shall adopt amendments to its solar  
5 renewable energy certificate regulations that authorize electric distribution companies to  
6 individually and jointly propose and implement competitive procurement programs for the  
7 procurement of solar distributed generation projects 500 kilowatts nameplate and larger and any  
8 subsets thereof that commence operation on or after January 1, 2016. Such procurements may  
9 include without limitation solar renewable energy certificates and/or other market products. Any  
10 such program details, terms, and conditions must be filed with and are subject to the approval of

11 the department of public utilities and, if approved, provide for the recovery of all reasonable  
12 program costs. When filed, such programs shall include long term payments and credits made  
13 over terms of ten to twenty years that are tied to generation production pursuant to electric  
14 distribution company tariff provisions that contain reasonable certainty of payment to the project  
15 developers so as to support financing of the solar facilities by the project developers. Upon  
16 approval of any such programs, participation in such approved programs by the applicable  
17 projects would be a condition for project eligibility to sell solar renewable energy certificates.  
18 Such procurements may be conducted jointly among electric distribution companies with cost  
19 recovery provisions that uniformly and equitably spread costs to all electric distribution  
20 customers across the Commonwealth, as approved by the department of public utilities.

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

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

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

37 "Class II net metering facility", an agricultural net metering facility, an anaerobic  
38 digestion net metering facility, solar net metering facility, or wind net metering facility with a  
39 generating capacity of more than 60 kilowatts but less than or equal to 1 megawatt; provided,  
40 however, that a Class II net metering facility of a municipality or other governmental entity may  
41 have a generating capacity of more than 60 kilowatts but less than or equal to 1 megawatt per  
42 unit. Any Class II net metering facility that commences operation on or after July 1, 2015 (i) may  
43 not be a remote generation facility and (ii) when behind-the-meter may not exceed the matched  
44 load size limit, provided, however, these limitations shall not apply to a neighborhood net  
45 metering facility or a remote net metering facility of a municipality or other governmental entity.  
46 To the extent a project has been under development and for circumstances beyond its reasonable  
47 control cannot commence operation by July 1, 2015, the project may seek extensions of time  
48 from the department, provided, however, that no extensions shall be granted beyond December  
49 31, 2015.

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

53 "Class III net metering facility", an agricultural net metering facility, an anaerobic  
54 digestion net metering facility, solar net metering facility, or wind-net-metering facility with a  
55 generating capacity of more than 1 megawatt but less than or equal to 2 megawatts; provided,

56 however, that a Class III net metering facility of a municipality or other governmental entity may  
57 have a generating capacity of more than 1 megawatt but less than or equal to 2 megawatts per  
58 solar net metering, anaerobic digestion net metering, or wind net metering unit. Any Class III net  
59 metering facility that commences operation on or after July 1, 2015 (i) may not be a remote  
60 generation facility and (ii) when behind-the-meter may not exceed the matched load size limit,  
61 provided, however, these limitations shall not apply to neighborhood net metering facilities or a  
62 remote net metering facility of a municipality or other governmental entity. To the extent a  
63 project has been under development and for circumstances beyond its reasonable control cannot  
64 commence operation by July 1, 2015, the project may seek extensions of time from the  
65 department, provided, however, that no extensions shall be granted beyond December 31, 2015.

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

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

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

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

85 "Remote net metering facility of a municipality or other governmental entity," a net  
86 metering facility of a municipality or other governmental entity that is a remote generating  
87 facility producing electricity that by agreement with a municipality or other governmental entity  
88 is intended to provide net metering credits for the accounts of the municipality or other  
89 governmental entity, provided that such remote generating facility is (i) on the property owned  
90 by the municipality or governmental entity receiving net metering credits, and (ii) the size of the  
91 remote generating facility is no more than two megawatts (2 MW) in nameplate capacity on a  
92 single parcel or contiguous parcel(s) of land which facility is not a portion of a larger segmented  
93 project. In addition, in the case of municipalities, the remote generating facility must be located  
94 within the geographical boundaries of the municipality receiving net metering credits. The  
95 remote net metering facility of a municipality or other governmental entity may be located  
96 behind-the-meter of a municipal or governmental entity account(s) to which a portion of the  
97 output is providing on-site net metering and have the balance of any output provide net metering  
98 credits remotely to other municipal or governmental accounts of the same municipality or entity,  
99 as applicable, provided that the facility is no greater than two megawatts (2 MW) nameplate

100 behind-the-meter. Any agreement(s) entered into after the effective date of this section between a  
101 municipality and an owner of a remote generating facility for the purposes of receiving net  
102 metering credits must contain a provision that requires the filing of such agreement(s) with the  
103 office of the attorney general sixty days before the agreement(s) can become effective. During  
104 the sixty day waiting period, the municipality shall have the unconditional right to terminate the  
105 agreement for any reason without financial or other consequences.

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

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

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

114 (j) By no later than July 1, 2015, the department of public utilities shall open a generic  
115 docket to establish minimum distribution bill charges for net metered customers in order to  
116 assure appropriate distribution cost allocation among rate classes in light of the reliance of net  
117 metering customers on the distribution system for distribution services when the net metering  
118 facility is not producing electricity or when excess is being delivered into the system. Such  
119 minimum bill charges shall be set at a level that results in a reasonable contribution to the cost of  
120 distribution services without eliminating the financial convenience of net metering as a means to  
121 encourage the installation and investment by end-use customers in renewable distributed

122 generation. The department may exempt for any period through the year 2020 any classes or sub-  
123 classes of existing net metered facilities that were in service by no later than December 31, 2015  
124 from any minimum bill charges that may be adopted. The new rates shall take effect on such date  
125 designated by the department, which shall be no later than April 1, 2016. After the rates are set in  
126 the first docket specified above, the department may approve changes to the minimum bill  
127 charges for individual electric distribution companies in any future distribution base rate cases  
128 when a fully allocated embedded cost of service study is being reviewed in the rate case.