SENATE . . . . . No. 2058

Senate, November 18, 2015 -- Text of the further Senate amendment (Senator Downing) to the Senate Bill providing for the establishment of a comprehensive adaptation management plan in response to climate change (Senate, No. 1979)

The Commonwealth of Massachusetts

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

SECTION 1. Section 138 of chapter 164 of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by inserting after the definition of "Customer" the following definition:-

"Market net metering credit", a credit equal to the basic service kilowatt-hour charge in the ISO-NE load zone where the customer is located; provided, however, that net metering facilities of a municipality or other governmental entity, eligible recipients of credits from net metering facilities serving low income customers as such customers are defined by the department of energy resources pursuant to section 11F of chapter 25A, eligible recipients of credits from community shared net metering as defined by the department of energy resources pursuant to said section 11F of said chapter 25A, landfills and brownfields and solar net metering facilities for which less than 67 per cent of the net metering facility's electrical energy on an annual basis is used by an onsite load shall receive a credit equal to the excess kilowatt-hours by time of use billing period, if applicable, multiplied by the sum of the distribution company's: (i) default service kilowatt-hour charge in the ISO-NE load zone where the customer is located; (ii) transmission kilowatt-hour charge; and (iii) transition kilowatt-hour charge; provided, however,

that “market net metering credit” shall not include the demand side management and renewable energy kilowatt-hour charges in sections 19 and 20 of chapter 25.

SECTION 2. Section 139 of said chapter 164, as so appearing, is hereby amended by inserting after subsection (b) the following subsection:-

(b½) Upon a determination by the department of energy resources that 1,600 megawatts direct current has been qualified under subsection (g) of section 11F of chapter 25A, the department shall certify the date that capacity has been reached and provide a date of notification that all new Class I, Class II and Class III solar net metering facilities in commercial operation after that date shall generate market net metering credits only. A distribution company customer that uses electricity generated by a solar net metering facility that generates market net metering credits may elect net metering as provided in this subsection.

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

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

SECTION 3. Said section 139 of said chapter 164, as so appearing, is hereby further amended by striking out, in line 73, the figure "4" and inserting in place thereof the following figure:- 6.

SECTION 4. Said section 139 of said chapter 164, as so appearing, is hereby further amended by striking out, in line 75, the figure "5" and inserting in place thereof the following figure:- 7.

SECTION 5. Said section 139 of said chapter 164, as so appearing, is hereby further amended by inserting after the word "from", in line 107, the following words:- subsection (b½) and subsection (j) and from.

SECTION 6. Said section 139 of said chapter 164, as so appearing, is hereby further amended by inserting after the word "meter", in line 110, the following words:- and accrue Class I net metering credits.

SECTION 7. Said section 139 of said chapter 164, as so appearing, is hereby further amended by adding the following subsection:-

(j) A Class I, Class II or Class III solar net metering facility, as defined in sections 138 and 139, shall continue to receive Class I, Class II or Class III net metering credits as otherwise provided by this section if that facility is determined to be so eligible by the department of energy resources prior to the date of notification that 1,600 megawatts direct

current of solar generation has been qualified under subsection (g) of section 11F of chapter 25A; provided, however, that at the expiration of 30 years from the date upon which the Class I, Class II or Class III solar net metering facility was authorized to interconnect to the distribution system by a distribution company, that facility shall receive market net metering credits.

SECTION 8. Notwithstanding any general or special law to the contrary, any renewable energy generating source using solar photovoltaic or solar thermal electric energy that has previously qualified for programs under subsection (g) of section 11F of chapter 25A of the General Laws and applicable regulations, as determined by the department of energy resources, prior to notice from the department that 1,600 megawatts direct current of solar generation has been qualified in the commonwealth, shall continue to be subject to and receive benefits from those programs including, but not limited to, the solar carve-out program and its successors, pursuant to the requirements of 225 CMR 14.00.

SECTION 9. (a) Notwithstanding any general or special law to the contrary, the department of energy resources shall adopt rules and regulations to develop a sustainable long-term framework that effectively balances promoting clean energy and costs to ratepayers; provided, however, that such rules and regulations shall apply only to new solar generating facilities that become operational after 1,600 megawatts direct current of solar generation has been qualified under subsection (g) of section 11F of chapter 25A of the General Laws.

(b) The department of energy resources shall develop a statewide solar incentive program to encourage the continued development of solar renewable energy generating sources by residential, commercial, governmental and industrial electricity customers throughout the commonwealth. The department shall, after notice and the opportunity for public comment,

promulgate rules and regulations implementing a solar incentive program which: (i) promotes the orderly transition to a stable and self-sustaining solar market at a reasonable cost to ratepayers; (ii) considers underlying system costs including, but not limited to, module costs, balance of system costs, installation costs and soft costs; (iii) takes into account electricity revenues and any federal or state incentives; (iv) relies on market-based mechanisms or price signals as much as possible to set incentive levels; (v) minimizes direct and indirect program costs and barriers; (vi) features a known or easily estimated budget to achieve program goals through use of a declining adjustable block incentive, a competitive procurement model, tariff or other declining incentive framework; (vii) differentiates incentive levels to support diverse installation types and sizes that provide unique benefits including, but not limited to, community-shared solar facilities and municipally-owned solar facilities and which may include differentiation by utility service territory, the location or the size of the solar renewable energy generating source; (viii) considers environmental benefits, energy demand reduction and other avoided costs provided by solar renewable energy generating facilities; (ix) encourages solar generation where it can provide benefits to the distribution system; (x) promotes investor confidence through long-term incentive revenue certainty and market stability; and (xi) ensure that the costs of the program are shared collectively among all ratepayers of the distribution companies.

(c) Any tariff developed by the department under this section for implementation by distribution companies shall be submitted to the department of public utilities for review and approval. The department of public utilities shall consider both the potential benefits and costs of the solar incentive program and shall review and make a determination within 90 days of submission.

(d) Attributes, as defined by the department, of the solar photovoltaic facilities receiving incentives under this section shall be eligible for use by retail electric suppliers pursuant to their obligations under section 11F of chapter 25A of the General Laws.