

HOUSE No. 4738

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, July 11, 2018.

The committee on Ways and Means, to whom was referred the Bill to increase renewable energy and reduce high-cost peak hours (House, No. 4575), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4738).

For the committee,

JEFFREY SÁNCHEZ.

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In the One Hundred and Ninetieth General Court
(2017-2018)

An Act to increase renewable energy and reduce high-cost peak hours.

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 3 of chapter 25A of the General Laws, as appearing in the 2016
2 Official Edition, is hereby amended by inserting after the definition of “Building authority” the
3 following 2 definitions:-

4 “Clean peak certificate”, a credit received for each megawatt hour of energy or energy
5 reserves provided during a seasonal peak period that represents a compliance mechanism.

6 “Clean peak resource”, a qualified RPS resource, a qualified energy storage system or a
7 demand response resource which generates or provides electricity to the electric distribution
8 system during seasonal peak periods.

9 SECTION 2. Said section 3 of said chapter 25A, as so appearing, is hereby further
10 amended by inserting after the definition of “Commissioner” the following definition:-

11 “Demand response resource”, changes in electric usage by end-use customers in the
12 commonwealth from their normal consumption patterns in response to (a) changes in the price of

electricity over time or (b) incentive payments designed to induce lower electricity use at times of high wholesale market prices or when system reliability is jeopardized.

SECTION 3. Said section 3 of said chapter 25A, as so appearing, is hereby further amended by inserting after the definition of “Petroleum products” the following definition:-

“Qualified energy storage system”, an energy storage system, as defined in section 1 of chapter 164, that commenced commercial operation on or after January 1, 2019; provided however, that such system utilizes renewable energy, as defined in said section 1 of said chapter 164.

SECTION 4. Said section 3 of said chapter 25A, as so appearing, is hereby further amended by inserting after the definition of “Qualified provider” the following definition:-

“Qualified RPS resource”, a Class I renewable energy generating resource, as defined in subsection (c) of section 11F, that has (a) installed a qualified energy storage system at its facility or (b) commenced commercial operation on or after January 1, 2019.

SECTION 5. Said section 3 of said chapter 25A, as so appearing, is hereby further amended by inserting after the definition of “Responsive offeror” the following definition:-

“Seasonal peak periods”, the daily time windows during any of the 4 annual seasons when the net demand of electricity is the highest; provided however, that a seasonal peak period shall be no less than 1 hour and no longer than 4 hours in any season, as determined by the department.

SECTION 6. Section 11F of said chapter 25A, as so appearing, is hereby amended by striking out, in lines 16 and 17, the words “and (3) an additional 1 per cent of sales every year

thereafter” and inserting in place thereof the following words:- (3) an additional 1 per cent of sales each year thereafter until December 31, 2020; (4) an additional 2 per cent of sales each year thereafter until December 31, 2030; and (5) an additional 1 per cent of sales every year thereafter.

SECTION 7. Chapter 25A of the General Laws, is hereby further amended by adding the following section:-

Section 17. (a) The department shall establish a clean peak standard for all retail electricity suppliers selling electricity to end-use customers in the commonwealth. By December 31, 2018 the department shall determine the current percentage of kilowatt-hours sales to end-use customers in the commonwealth from existing clean peak resources during the seasonal peak load hours to establish a baseline minimum percentage of kilowatt-hours sales to end-use customers that must be met with clean peak certificates beginning on January 1, 2019. Each year thereafter, every retail electricity supplier in the commonwealth shall provide a minimum percentage of at least an additional 0.25 per cent of sales by retail electricity suppliers in the commonwealth that must be met with clean peak certificates, as determined by the department.

(b) A qualified RPS resource may generate both a clean peak certificate and a renewable energy certificate under section 11F of this chapter for electricity generated and delivered to the electric grid during a seasonal peak period.

(c) The department shall promulgate regulations to implement this section, including, but not limited to: (i) the establishment of seasonal peak periods; (ii) the methodology by which clean peak certificate values shall be established, which may include a process by which electric distribution companies competitively procure clean peak certificates from clean peak resources

56 and enter into long-term contracts, subject to the approval of the department of public utilities;
57 (iii) an alternative compliance mechanism for retail electricity suppliers; and (iv) the procedures
58 by which each retail electricity supplier shall annually submit for the department's review a
59 filing demonstrating its compliance with the requirements of this section.

60 SECTION 8. Section 17 of chapter 25A is hereby repealed.

61 SECTION 9. Section 8 shall take effect on January 1, 2051.