## An Act relative to competitively priced electricity in the Commonwealth

- **Section 1-3**. The Office of Ratepayer Advocate under the Attorney General Office will be involved in private water rate cases.
- **Section 4.** Extends DPU rate review period to 10 months.
- **Section 5-6, 54, 57, 58.** Rebate pilot program. Creates a 3 year pilot program for the 5 largest electric and 5 largest gas users in each service territory. Users can aggregate monies they pay for EE surcharge for up to a 3 year period (ending in 2015) to maximize spending potential. Users will be eligible for 100% of rebate of DPU-approved EE measures, but only qualify for 90% of total monies pay through surcharge each year (10% left behind for EE programs at DOER
- **Section 7.** Technical correction for MA Clean Energy Tech Center.
- **Section 8-11.** Adds following to EEAC, representatives of: MA Non-profit Network, a city/town, real estate, MA business employing less than 10 person that performs EE services. Makes ISO-New England a non-voting member.
- **Section 12.** If DOER acts as an intervener, they must do so for small and large scale C/I customers.
- **Section 13, 14.** Ensures that small hydroelectric facilities that qualify for the RPS can be counted towards a distribution company's RPS requirements.
- **Section 15, 16.** Raises the cap on the maximum allowable size of Class I hydroelectric power generation facilities eligible for the RPS to 30MW. Raises cap on Class II hydro hydroelectric power generation facilities eligible for the RPS to 7.5MW.
- **Section 17.** Allows electric utilities to own up to 25MWs of solar generation capacity. Utilities must obtain approval from DPU to own such facilities by June 30, 2014.
- **Section 18.** Requires electric companies regulated by DPU to file rate cases with the Department every 5 years; gas companies must do the same every 10 years. Allows for electric company settlements once every 10 years.
- **Section 19.** Strikes outdated oil to coal generation process.
- **Section 20.** Requires the DPU to design all base rates using a cost-allocation method that is based on equalized rates of return for each customer class.
- **Section 21.** Clarifies DPU merger oversight to extend to transactions involving companies with a MA presence if all or substantially all of their property is merged with or sold to any company, even if that company doesn't have MA contacts.
- **Section 22.** Allows any public instrumentality of the commonwealth or non-profit institution to become a member of a competitively procured program, organized and administered by, or on

behalf of, a public instrumentality or subsidiary organization, for the purpose of group purchasing electricity, natural gas, telecommunications services or similar products. Municipal or state disposition of real estate shall not require competitive bidding when part of a power purchase agreement or net metering agreement under such a program.

## Section 23-30, 49. Net Metering

- Increases the total net metering cap from 3% to 6% of peak load, and exempts certain projects from the cap altogether.
- Increases the private net metering cap from 1% to 3%. Increases the net metering cap for governmental entities and municipalities from 2% to 3%.
- Exempts net metering facilities that generate a small amount of electricity from the
  private net metering cap. Exempts certain net metering facilities whose capacity is
  under 10 kW or 25 kW, depending on the circuit it will interconnect with.
- Adds anaerobic digestion to the list of allowable net metering generation facilities
- Directs the DPU to develop an enforceable standard interconnection timeline.

**Section 31.** The MMWEC enabling statute allows for the creation of a pooled loan program to be established - this technical change allows MMWEC members to participate in the program.

**SECTION 32.** Allows distribution companies to file their residential conservation service reports as part of their required 3 year energy efficiency plans.

**Section 33,34, 53.** Classifies "renewable energy projects" as an acceptable use for capped landfills that received certain grant money through a DEP program. Such renewable energy projects must receive a permit from the department.

**Section 35.** Ends the current long term contracting requirement for renewable energy December 31, 2012.

**Section 36.** Long Term Contracting for renewable generation.

- Establishes a new requirement for distribution companies to engage in 2 procurement periods to jointly solicit proposals for renewable energy generation to satisfy their annual renewable portfolio standard (RPS). Contracts will be apportioned among the companies based on the total energy demand in each service territory.
- Such proposals shall be competitively bid to seek contracts lasting 10 to 20 years to satisfy an additional 4% of their peak load.
- Companies are allowed 2.75% annual remuneration for entering into such contracts.
- Contracts must consider cost effective, low cost energy projects which, where feasible, create additional employment and economic development in MA.
- Of the energy procured under this section, 10% of the contracts shall be reserved for newly developed small, emerging or diverse energy generation.
- Distribution companies may opt-out of the joint solicitation, and engage in individual competitive solicitations to fulfill this section, if they demonstrate to DPU that it would benefit ratepayers.

- **Section 37.** Extends RGGI payments to for host communities of coal-fired plants to 2019.
- **Section 38.** Allows hydro to count towards MA renewable and alternative energy generation goals as measured by section 116 of the GCA. This does NOT allow hydropower, larger than 30MW to be eligible for the RPS.
- **Section 39, 56.** Creates the Design and Construction Improvement Grant program for the purpose of funding upgrades to hydroelectric facilities that would allow them to qualify as a Class I or Class II renewable energy generating source under the RPS.
- **Section 40.** Directs the DPU to open a docket to determine the need for additional capacity in the NEMA region in within the next 10 years. If the department finds such a need, they may require the distribution companies serving that region to solicit proposals for a contract with an electricity generation supplier to satisfy the need.
- **Section 41.** Appoints a 9 member commission to study the economic and environmental benefits, as well as the economic and electricity cost implications of energy policies in the Commonwealth.
- **Section 42.** Establishes a plant revitalization task force to implement a plan and recommend legislative action to ensure the full deconstruction, remediation and redevelopment or repowering of the Salem Harbor Power Station and other retiring coal-fired plants.
- **Section 43.** Requires DOER and the AG to study the feasibility, regulatory barriers and potential benefits of the Commonwealth engaging in the central procurement of renewable energy and transmission rights to deliver power to the Commonwealth load zones.
- **Section 44.** Requires the DPU to study the cost of low-income discount programs run by electric and gas companies.
- **Section 45.** Directs the DOER to study the Class II RPS program to reduce reliance on ACP payments.
- **Section 46.** Directs the EOEEA to study adding "useful thermal energy" to the list of eligible alternative energy generating sources in meeting AEPS goals.
- **Section 47.** Calls for DOER to study the reactivation of pre-existing hydroelectric power sites. EOEEA shall review necessary permitting and approvals to determine whether and how the reactivation process can be expedited and streamlined.
- **Section 48.** The DOER must complete a study of long-term contracting requirements before the requirement for joint solicitation of renewable energy under this Act takes effect.
- **Section 50.** Directs DPU to open a docket to consider requiring a systems benefit charge on all electric and gas bills to reflect the cost of public policy programs, including programs established under the Green Communities Act. Alternatively, the DPU may consider requiring separately itemized rates for each program.

**Section 51.** Directs the DPU to establish a cost-based rate design for distribution companies recovering costs through reconciliation factors (otherwise known as "trackers"). Reconciliation factors must be in direct proportion to the contribution of revenues from each class.

**Section 52.** Directs DOER to study the impacts of restructuring the New England electricity marketplace and the effects of the energy industry consolidation within that market.

**Section 55.** Clarifies that nothing in this Act shall apply to any DPU approved settlement agreement entered into by an electric or gas distribution company effective prior to the passage of this Act.