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New Massachusetts solar net metering legislation (an act relative to solar energy, Chapter 75 of the Acts of 2016)

By Robert Dewees, James Duffy, and Ruth Silman

New solar net metering legislation was signed into law on April 11, 2016, by Governor Charlie Baker. The legislation:

- Increases the state-wide net metering caps
- Reduces the net metering credit reimbursements for new large private projects
- Allows the Massachusetts Department of Public Utilities (DPU) to approve minimum utility bill charges for net metering customers

The new legislation, which became fully effective on May 11, 2016:

Raises the cap on the amount of net metering permitted in the Commonwealth by 3%, from 4% to 7% of the local distribution utility peak load for private facilities and from 5% to 8% for facilities owned or operated by a municipality or other governmental entity or where the governmental entity is assigned 100% of the output;

Reduces the value of net metering credits by approximately 40% from the full retail rate value for new private facilities (those larger than 10 kW on a single-phase circuit or 25 kW on a three-phase circuit). This will occur after the state-wide goal of 1600 MW of qualified solar net metering facilities is reached and certified by the Department of Energy Resources. Municipal and other governmental facilities and residential and small commercial facilities (equal to or less than 10 kW on a single-phase circuit or 25 kW on a three-phase circuit) are exempt from the lower reimbursement rate and would continue to be credited under the current full retail rate methodology. Existing solar net metering facilities will be exempt from the new reimbursement methodology for 25 years from the date the facilities were authorized to interconnect to the distribution system;

Allows local distribution utilities to propose, and the DPU to review and approve, monthly minimum reliability charges to ensure that net metering utility customers contribute to the fixed costs of ensuring the reliability, safety and proper maintenance of the electric distribution system.

A minimum reliability charge can only be approved after the capacity of solar generating facilities in Massachusetts reaches 1600 MW; and

Directs the Department of Energy Resources to revise the SREC (solar renewable energy certificate) incentive program to promote a transition to a stable and self-sustaining solar market at a reasonable cost to ratepayers.

The Massachusetts Department of Public Utilities (DPU) adopts emergency net metering regulations and requests comments on the regulations.

On May 11, 2016, the DPU opened a rulemaking proceeding to implement the net metering provisions of the new solar legislation and to adopt temporary emergency net metering regulations. The DPU intends to adopt final regulations by July 29, 2016.

The DPU will review the new net metering provisions in the legislation and requests comments and proposed changes on a number of topics in the temporary regulations including:

- At what time and under what circumstances may the DPU approve a monthly minimum reliability charge?
- What should the process be for calculating net metering credits for solar facilities interconnected before the 1600 MW threshold is reached and that seek to expand after the threshold is reached?
- Does the new legislation permit distribution companies to provide payment to Class III facilities receiving the new net metering credits instead of a credit on the electric bill?

The deadline for comments at the DPU is June 15, 2016. Reply comments are due on June 20, 2016.

For more information about the new legislation or the DPU regulations, please contact:

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