



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

TO: Any Person Interested in Net Metering and Interconnection of Distributed Generation
Service Lists in Net Metering Rulemaking, D.P.U. 08-75, Net Metering Tariff, D.P.U. 09-03, Fitchburg Gas and Electric Light Company, d/b/a Unitil, D.P.U. 09-71, Massachusetts Electric Company and Nantucket Electric Company, d/b/a National Grid, D.P.U. 09-72, NSTAR Electric Company, D.P.U. 09-73, and Western Massachusetts Electric Company, D.P.U. 09-74;
John Robertson, Deputy Director, Legislative Department, Massachusetts Municipal Association, One Winthrop Square, Boston, MA, 02110; and Marilyn Contreas, Senior Program and Policy Analyst, Mass. Dept. of Housing and Community Development, 100 Cambridge Street, Suite 300, Boston, MA 02114
Via Electronic Mail

FROM: Shaela McNulty Collins, Hearing Officer

RE: Inquiry into Net Metering and Interconnection of Distributed Generation, D.P.U. 11-11
Agenda and Topics for Technical Conference on Net Metering and Interconnection Inquiry To be Held on February 14, 2011

DATE: February 8, 2011

cc: Mark D. Marini, Secretary

I. INTRODUCTION

On October 15, 2010, Governor Patrick signed into law Chapter 359 of the Acts of 2010, An Act Making Appropriations for the Fiscal Years 2010 and 2011 to Provide for Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects ("Act"). The Act requires the Department of Public Utilities ("Department") to adopt rules and regulations implementing certain changes to the net metering provisions of G.L. c. 164, §§ 138 and 139. St. 2010, c. 359, §§ 25-30. On February 7, 2011, the Department issued a notice of a technical conference to be held on February 14, 2011, to assist in the implementation of some of the Act's net metering changes at the Department's offices, One South Station, 5th Floor, Boston, MA.

The Department will hold the technical conference on February 14, 2011 at 1:00 p.m., at the Department's offices in Hearing Room A, One South Station, 5th Floor, Boston, MA. In anticipation of the technical conference, the Department provides the following information about the purpose, format, and topics for discussion.

II. PURPOSE

The purpose of the technical conference is to engage interested persons in a discussion that identifies: (1) issues related to developing a system that provides an assurance of net metering eligibility; (2) issues related to net metering and interconnection of distributed generation facilities; (3) processes that could be used for resolving identified issues (e.g., working groups, additional technical conferences, Department investigations); and (4) mechanisms for implementing or memorializing solutions to identified issues.

III. FORMAT

The technical conference is intended to foster discussion about what issues exist, how to resolve them and what the next actions are to move forward in an efficient, effective manner. In order to encourage an open exchange of ideas, a stenographic record of the technical conference will not be made.

As the Department anticipates that the technical conference will be the first step in a multiphase process, written comments are not necessary at this time. There will be ample opportunity for interested persons to comment on the proposed net metering regulations in the context of the rulemaking and any proposed resolutions to identified issues in other contexts.

IV. AGENDA

- A. Introduction and ground rules
- B. "Assurances" of Net Metering
- C. Tracking of information (220 C.M.R. § 18.08)
- D. Net Metering Cap
- E. Other Net Metering Issues
- F. Interconnection Issues
- G. Adjourn

V. TOPICSA. “Assurances” of Net Metering

The Act directs the Department to adopt a system that provides a proposed net metering facility of a municipality or other governmental entity (“governmental net metering facility”) an assurance of net metering eligibility. St. 2010, c. 359, § 30. The Department determined that a technical conference would help inform what and how “assurances” of net metering should be implemented. The following questions are intended to begin this discussion.

1. The Act directs the Department to adopt a system that provides “proposed [governmental net metering facilities] an assurance of net metering eligibility at the time the facilities meet criteria established by the Department.” Does this language require the Department to implement a queue for net metering applications?
2. Currently, provided a proposed net metering facility has achieved administrative completion of the interconnection application,¹ it would be eligible for net metering if service under the tariff has not closed as a result of the aggregate of operating net metering facilities reaching the distribution company’s one percent cap. Order Adopting Model Net Metering Tariff, D.P.U. 09-03-A at 22 (2009), citing 220 C.M.R. § 18.07; Appendix A, § 1.09. Should eligibility for net metering services continue to be on a first-come, first-served basis to those net metering facilities that have completed the interconnection process?
3. Should assurances of eligibility for net metering services be separate and apart from the interconnection process? Is there a rationale for qualifying, and a method that could qualify, host customers for net metering services prior to interconnection and operation?
4. Should assurances of eligibility for net metering services be provided earlier in the interconnection process? When and how? Would such assurances be conditioned on the criteria used to queue requests for interconnection under the Revised Model Tariff to Accompany Standards for Interconnecting

¹ In order for a net metering facility to become operable, it must interconnect to a Distribution Company’s electric distribution system. This interconnection process is governed by the Revised Model Tariff to Accompany Standards for Interconnecting Distributed Generation (“Revised Model Interconnection Tariff”) as approved in D.P.U. 09-03-A and as later adopted by each distribution company.

Distributed Generation (“Revised Model Interconnection Tariff”) as approved in D.P.U. 09-03-A and as later adopted by each Distribution Company?

5. What criteria must be met to receive an assurance of eligibility for net metering services? How should a queue for an assurance of eligibility for net metering services be administered? By whom? Who would bear the costs of administering the queue, how can they be quantified, and how might they be recovered?
6. The development of a system of assurances of net metering eligibility must be considered in the context of the applicable limit on the aggregate capacity of installed net metering facilities. How, if at all, should a cap be distributed among net metering facilities? Should the Department specify allocations based upon class size, type of technology, or something else? What would be the rationale for these allocations or carve outs? How should the queue be designed to ensure that no capacity under the cap goes unused (“stranded capacity”)?
7. Should assurances of net metering eligibility be limited to NMFs of MOGE? Could a single means of assurances apply to both NMFs of MOGE and other net metering facilities? If not, would it be more efficient to focus resources on the development and implementation of assurances for only NMFs of MOGE as required by the Act?
8. What process would be the most efficient to identify and resolve the issues associated with developing a queue to receive an assurance of eligibility for net metering services? Working groups? Department investigation?
9. How should the parameters of a queue to receive an assurance of eligibility for net metering services be implemented? Regulations? Tariffs? Other?

B. Tracking of information (220 C.M.R. § 18.08)

1. Is the information that the distribution companies are currently tracking sufficient to understand progress toward their net metering cap or to inform the development of a system of assurances of net metering eligibility?
2. How often, to whom and how should this information be reported (posted on websites? filed at Department?)?

C. Net Metering Cap

1. Should there be a mechanism to remove from the aggregate capacity of installed net metering facilities the capacity of a net metering facility that is no longer operational or no longer receiving net metering services in order to avoid stranded capacity?
2. How will distribution companies close their net metering tariffs to new customers once their net metering cap is reached? How will distribution companies address applications for net metering services that would meet or exceed their net metering cap?
3. What process would be the most efficient to identify and resolve these issues?
4. How should any proposed solutions be implemented?

D. Other Net Metering Issues

1. Demand charges and net metering.
2. Applying credits to an account where the customer utilizes the service of a competitive supplier.
3. Metering and reporting of net metering generation.
4. The impacts of decoupling on the net metering tariffs.
5. Rate classification issues.
6. The sales of electricity by Qualifying Facilities (“QFs”) and On-Site Generating Facilities (“OSGFs”) are governed by 220 C.M.R. § 8.00. Specifically, 220 C.M.R. § 8.05 governs the terms and conditions applicable to sales of electricity and net metering. Section 8.05(3) allows OSGFs, but not QFs, to elect net metering consistent with 220 C.M.R. § 18.00. Can QFs, as defined in 220 C.M.R. § 8.02, elect net metering under 220 C.M.R. § 18.00?
7. What process would be the most efficient to identify and resolve these issues?
8. How should any proposed solutions be implemented? Revisions to model net metering tariff?

E. Interconnection Issues

1. Should the interconnection process be updated, streamlined or reformed?
2. In what ways? Timelines for review, setbacks, costs, Alternative Dispute Resolution provisions, etcetera.
3. Would interconnection training for installers resolve any issues? How to implement? Who would conduct training? At whose expense?
4. What are the limits, if any, of transmission and/or distribution lines with respect to interconnecting distributed generation facilities? Are there any moratoriums on interconnecting to certain transmission and/or distribution lines?
5. What process would be the most efficient to identify and resolve these issues?
6. How should any proposed solutions be implemented? Revisions to Revised Model Interconnection Tariff?