GWSP ENERGY RESOURCES PLAN
DIFFERENCES FROM OTHER BILLS

SECTION 1: Hydroelectric and RPS-Eligible Resource Procurement

Red= significant changes from S1757

Chapter 169 of the Acts of 2008, as amended by chapter 209 of the Acts of 2012, is hereby further amended by inserting after section 83A the following sections:

Section 83B:

a) By no later than ~~October 1, 2015, or~~ 8 months after ~~the department of public utilities issues an order under subsection (b),~~enactment of this section, all distribution companies in the commonwealth, as defined in section 1 of chapter 164 of the General Laws, shall jointly solicit from developers of clean energy generating sources proposals to deliver an annual amount of electricity from such sources of not more than ~~18,900,000~~ 10,000,000 MWh, via long-term contracts as detailed in this Section and, provided that reasonable proposals have been received pursuant to subsection (c), may enter into such long-term contracts. In each solicitation, at least thirty percent of the electricity by volume in megawatt-hours in each proposal shall be provided by a Class I RPS-eligible renewable energy generating source. If contracts are not executed up to the annual amount of electricity specified in this subsection, the distribution companies are authorized to conduct solicitations in subsequent years until that amount is procured. Proposals submitted pursuant to this section may include, in addition to the provision of electricity from a clean energy generating source, the provision of transmission facilities necessary for the delivery of such electricity into the ISO New England Control Area.

(b) For the purposes of this act, clean energy generating sources shall mean, individually or collectively, a Class I RPS-eligible renewable energy generating source as defined under section 11F of said chapter 25A, or a non-Class I RPS-eligible hydroelectric generation facility. Said clean energy generating sources shall represent incremental generation delivered into the ISO New England Control Area after June 1, 2016. ~~Incremental generation shall be from sources built after 2003, however, any proposal submitted under this act may include pre-2003 clean energy generation, up to a level necessary to firm and assure delivery of Class I resources under that proposal.~~

(c) The timetable and method for solicitation and execution of the long-term contracts required by this section shall be developed by the distribution companies in consultation with the department of energy resources, and shall be reviewed and approved before issuance by the

department of public utilities in accordance with Section 2. The department of energy resources may require that the solicitation in subsection (a) be staggered and divided into two or more solicitations to occur within such time and of such size as the department determines are in the best interest of ratepayers. If the department of energy resources determines that solely unreasonable proposals were received pursuant to a solicitation, it may terminate that solicitation, with justification for such decision.

(d) For purposes of this act, a long-term contract shall be a contract with a term of 15 to 25 years. A contract authorized by this act may have a term longer than 25 years if the department of public utilities finds that it would be cost-effective for ratepayers when compared to one or more contracts or proposed contracts for ~~other clean energy generating sources~~ electricity with the same physical and technical delivered attributes but that have a term of no more than 25 years. Solicitations for long-term contracts shall allow proposals across a range of ~~In developing proposed long-term contracts, the distribution companies shall consider multiple~~ contracting methods, including long-term contracts for renewable energy certificates, hereinafter referred to as RECs, for energy only, and for a combination of both RECs and energy only. This long-term contracting option shall be separate and distinct from the distribution companies' obligation to meet applicable annual renewable portfolio standard, hereinafter referred to as RPS, requirements, under section 11F of chapter 25A of the General Laws. The procurement of RECs under this act shall apply only to that portion of contracted electricity attributable to a Class I RPS-eligible renewable energy generating source and shall not apply to electricity from any hydroelectric generation facility larger than 30 MW. Any contracts procured under this section shall contain provisions that require an appropriate unit-specific tracking system to enable an accounting of the delivery of clean energy generation resources.

(e) In accordance with subsection 83B(c), the distribution companies shall jointly select a reasonable method of soliciting proposals from developers of clean energy generating sources using a competitive bidding process only, and any such solicitation may be developed and conducted jointly with utilities and/or procuring entities from other states in New England. A distribution company may decline to consider contract proposals having terms and conditions that it determines would require the contract obligation to place an unreasonable burden on the distribution company's balance sheet, and may structure its contracts, pricing or administration of the products purchased to mitigate impacts on the balance sheet or income statement of the distribution company or its parent company, subject to the approval of the department of public utilities; provided, that such mitigation shall not increase costs to ratepayers. The distribution companies may propose a reasonable form of remuneration for entering into any long-term contract that it files with the department of public utilities for approval and the department of public utilities may approve the proposal at the time of approving the long-term contract, provided however that the department of public utilities

shall provide for an annual remuneration for the contracting distribution companies equal to 1.50 per cent of the annual payments under a contract that does not include transmission to compensate the company for accepting the financial obligation of long-term contracts associated with clean energy generating sources. To the extent there are significant transmission costs included in a proposal, the department of public utilities shall authorize the contracting parties to seek recovery of such transmission costs of the project through federal transmission rates, consistent with policies and tariffs of the federal energy regulatory commission, to the extent the department finds such recovery is in the public interest.

(f) In each solicitation under this section, at least thirty percent of the electricity by volume in megawatt-hours offered in each proposal shall be provided by a Class I RPS-eligible renewable energy generating source.

(g) The department of public utilities and the department of energy resources each shall, within 120 days of enactment, adopt regulations consistent with this section and any applicable rules, orders and regulations established by the Federal Energy Regulatory Commission. The regulations shall: allow the developers of clean energy generating sources to submit proposals for long-term contracts conforming to the contracting methods specified herein; set forth bid review, evaluation, and selection criteria consistent with this act; require that contracts executed by the distribution companies are filed with, and approved by, the department of public utilities before they become effective; encourage proposals from diverse energy sources; authorize the evaluation of combination proposals which allow for resource diversity; and require that the proposals for electricity also meet the following criteria: (1) any Class I RPS-eligible renewable energy generating source must be qualified by the department of energy resources as eligible to participate in the RPS program under section 11F of chapter 25A of the General Laws, and to sell RECs under the program; (2) be determined by the department of public utilities to: (i) provide enhanced electricity reliability within the commonwealth, including, where feasible, the ability to replace energy provided by retiring carbon emitting generation sources in the commonwealth; (ii) contribute to energy source diversity; (iii) guarantee delivery in winter months; (iv) be cost effective to Massachusetts electric ratepayers over the term of the contract; (v) where feasible, create additional employment and economic development in the commonwealth; (vi) contribute to greenhouse gas reductions pursuant to chapter 238 of the acts of 2008; (vii) demonstrate project viability through evidence including: (A) appropriate federal, state and local permits are substantially likely to be obtained (B) land rights have been or are substantially likely to be obtained, (C) corporate approvals for contracts have been obtained, and (D) security payments have been posted; and (vii) demonstrate that electricity from the clean energy generating source will be delivered to the ISO New England Control Area; and (3) meet the requirements of Section 83D for any included transmission facilities.

(h) The department of energy resources shall, using an independent energy expert hired and selected in consultation with the Attorney General, review and evaluate the proposals submitted pursuant to this act and provide to the distribution companies and the department of public utilities by no later than 90 days after the proposals are submitted, a ranked list of selected qualifying proposals. In addition to the criteria and requirements in subsection 83B(c), the evaluation shall assess and score each proposal's environmental attributes. For proposals that include electricity from hydroelectric generating facilities greater than 30MW, preference shall be given to proposals that meet the requirements in section 11F(c)(6)(i) of chapter 25A of the General Laws and do not involve pumped storage of water or construction of a new dam or water diversion after January 1, 1998. The distribution companies may, but are not required to, enter into contracts with bidders selected through this process. Each distribution utility shall be entitled to recover all costs related to their apportioned share of the market products being purchased through any long-term contract. The costs shall be calculated and based upon the total energy demand from all distribution customers in each service territory of the distribution companies.

(i) As part of its contract review process, the department of public utilities shall consider the Attorney General's recommendations, which shall be submitted to the department of public utilities within 45 days following the filing of such contracts with the department of public utilities. The attorney general shall consider such factors as protection against self-dealing by electric distribution companies' direct financial interests in developing or owning in eligible energy and transmission resources. The department of public utilities shall consider both the potential costs and benefits of such contracts and shall approve a contract only upon a finding that it is a cost effective mechanism for procuring electricity from a clean energy generating source on a long-term basis taking into account the factors outlined in this act. ~~The department of public utilities shall approve a contract upon a finding that it is likely to result in net ratepayer savings as compared to current and projected future costs associated with energy, RECs, or other obligations of the company over the course of the contract period~~

(j) Notwithstanding the provisions of this section, any portion of electricity procured pursuant to this act that is attributable to a hydroelectric generation facility larger than 30 MW shall not be eligible to participate in the Commonwealth's RPS program under section 11F of chapter 25A of the General Laws ~~unless the facility otherwise meet the Class I RPS-eligible source requirements in such section 11F(c)(6).~~ .

(k) A distribution company may elect to use any energy purchased under such contracts for resale to its customers, and for that portion of the electricity attributable to Class I RPS-eligible renewable energy generating source may elect to retain RECs to meet the applicable annual RPS requirements under section 11F of chapter 25A of the General Laws. If the

electricity and/or RECs are not so used, such companies shall sell such purchased electricity into the ISO-New England wholesale energy market and/or shall sell such purchased RECs through a competitive bid process. If a distribution company makes such a sale, it shall net the cost of payments made under the related long-term contract(s) against the proceeds obtained from all sales of procured electricity and/or RECs, and the difference shall be credited or charged to the distribution company's rate-payers in a manner reviewed and approved by the department of public utilities.

(l) Notwithstanding subsection 83B(k), the department of energy resources shall conduct periodic reviews to determine the impact on the electricity and REC markets of the disposition of electricity and RECs under this act and may issue reports recommending legislative changes if it determines that actions are being taken that will adversely affect the electricity and REC markets.

[Sections on Delivery Commitment Agreements and Diversity Benefits Allocator removed]

SECTION 2: Offshore Wind Procurement

Red = significant changes from H2881

Chapter 169 of the Acts of 2008, as amended by chapter 209 of the Acts of 2012, is hereby further amended by inserting after section 83B the following section:

Section 83C:

(a) By no later than 8 months after enactment of this section, all distribution companies in the commonwealth, as defined in section 1 of chapter 164 of the General Laws, shall be required to conduct periodic joint solicitations for proposals from offshore wind energy developers to deliver to the ISO-NE grid an annual amount of electricity and, provided reasonable proposals have been received, enter into commercially reasonable long-term contracts to facilitate the financing of offshore wind energy generation.

(b) The first solicitation shall be for no less than 1,500,000 MWh of electricity per year. Any subsequent solicitations must occur within 24 months of the previous solicitation and each subsequent solicitation shall be for no less than 1,000,000 MWh of electricity per year. Under this section, all distribution companies must collectively enter into long-term contracts that in the aggregate will ensure the delivery of no less than 8,500,000 MWh of electricity per year ~~in the aggregate~~ by 2025.~~The department of public utilities shall promulgate rules and regulations consistent with this section~~

(c) For purposes of this section, the term "commercially reasonable" shall mean terms and pricing that are reasonably consistent with what an experienced electric power market analyst

would expect to see in transactions involving newly developed offshore wind energy resources. Commercially reasonable shall include having a credible project operation date, as determined by the department of public utilities, but a project need not have completed the requisite permitting process to be considered commercially reasonable. If there is a dispute about whether any terms or pricing are commercially reasonable, the department of public utilities shall make the final determination after evidentiary hearings.

~~(d) The timetable and method for solicitation and execution of contracts under this section shall be proposed by the distribution company, in consultation with the department of energy resources, and shall be subject to review and approval by the department of public utilities.~~

(d) This long-term contracting obligation for offshore wind shall be separate and distinct from the electric distribution companies' obligation to meet applicable annual renewable portfolio standard, hereinafter referred to as RPS, requirements, under section 11F of chapter 25A of the General Laws. A distribution company may fulfill its responsibilities under this section through individual competitive solicitations that are independent from the periodic joint solicitations for proposals from offshore wind energy developers and, provided reasonable proposals have been received, enter into commercially reasonable long-term contracts to facilitate the financing of offshore wind energy generation under this section if, upon petition to the department of public utilities prior to, , or concurrently with, its initial review of the first proposed joint solicitation, the department rules that a solicitation by an individual distribution company would be more commercially reasonable than said distribution company engaging in a joint solicitation.

(e) For purposes of this section, a long-term contract shall be a contract with a term of 15 to 20 years. A contract may have a longer term, up to 25 years, ~~than 20 years~~ if the department of public utilities finds that it would be cost-effective for ratepayers when compared to one or more existing or proposed contracts for electricity, ~~other generation resources~~ with the same delivered attributes, ~~and~~ or for RECs~~, with but that have a term of no more than 25 years~~. In developing proposed long-term contracts, the distribution companies shall consider multiple contracting methods, including long-term contracts for renewable energy certificates, hereinafter referred to as RECs, for energy, and for a combination of both RECs and energy.

(f) By no later than 8 months after enactment of this section, the electric companies, in consultation with the department of energy resources, shall jointly propose to the department of public utilities for its approval, a reasonable method for soliciting proposals, using a competitive bidding process only, for long-term contracts ~~from offshore wind energy developers using a competitive bidding process only. Distribution companies may use timetables and methods for the solicitation of competitively bid long-term contracts approved by the department of public utilities no later than 6 months after enactment of this section.~~ A

distribution company may structure its contracts, pricing or administration of the products purchased to mitigate impacts on the balance sheet or income statement of the distribution company or its parent company, subject to the approval of the department of public utilities. ~~The distribution companies shall consult with the department of energy resources and the attorney general's office regarding the choice of contracting methods and solicitation methods.~~ All proposed contracts shall be subject to the review and approval of the department of public utilities.

(g) The department of public utilities and the department of energy resources each shall adopt regulations consistent with this section. The regulations shall: (1) allow offshore wind energy developers to submit proposals for long-term contracts conforming to the contracting methods specified in this Section 83C; (2) require that contracts executed by the distribution companies under such proposals are filed with, and approved by, the department of public utilities before they become effective; (3) provide for an annual remuneration for the contracting distribution company equal to 1.50 per cent of the annual payments under the contract to compensate the company for accepting the financial obligation of the long-term contract, such provision to be acted upon by the department of public utilities at the time of contract approval; and (4) require that the proposed offshore wind energy project meet the following criteria: (a) have a commercial operation date, as verified by the department of energy resources, on or after October 1, 2018; (b) be qualified by the department of energy resources as eligible to participate in the RPS program, under said section 11F of said chapter 25A, and to sell RECs under the program; (c) have control or a right to acquire control over a suitable site; ~~(d) require that the department of public utilities, if it has determined the obligations under this section result in increases to ratepayers, provide relief for distribution customers utilizing over 10,000 kWh per month;~~ (d) be developed by a team with a sufficient amount of relevant experience to successfully develop, finance, construct and operate its proposed project; and (e) be determined by the department of public utilities to: (i) provide enhanced electricity reliability within the commonwealth; (ii) contribute to moderating system peak load requirements in the commonwealth; (iii) demonstrate that the offshore wind energy will be delivered to the ISO New England Control Area including, where feasible, at or near the location of retiring carbon emitting generation sources; (iv) be commercially reasonable; (v) where feasible, create additional employment and economic development in the commonwealth; and (iv) where feasible, utilize publically owned facilities.

(h) As part of its approval process, the department of public utilities shall consider the attorney general's recommendations, which shall be submitted to the department of public utilities within 45 days following the filing of such contracts with the department of public utilities. The department of public utilities shall consider both the potential costs and benefits of such contracts and shall approve a contract only upon a finding that it is a commercially reasonable

mechanism for procuring offshore wind energy on a long-term basis, taking into account the factors outlined in this section.

(i) The solicitations required under this section shall be coordinated among the electric distribution companies by the department of energy resources. ~~If distribution companies are unable to agree on a winning bid under a solicitation under this section, the matter shall be submitted to the attorney general, in consultation with the department of energy resources and the department of public utilities, for a final, binding determination of the winning bid.~~ The electric distribution companies shall each enter into a contract with the winning bidders for their apportioned share of the market products being purchased from the project. The apportioned share shall be calculated and based upon the total energy demand from all distribution customers in each service territory of the distribution companies.

(j) As long as an electric distribution company has entered into long-term contracts as part of joint solicitations in compliance with this Section 83C, it shall not be required by regulation or order or by other agreement to enter into additional long-term contracts for offshore wind pursuant to this Section 83C; provided, however, that an electric distribution company may execute such contracts voluntarily, subject to the approval of the department of public utilities.

(k) An electric distribution company may elect to use any energy purchased under such contracts for resale to its customers, and may elect to retain RECs to meet the applicable annual RPS requirements under said section 11F of said chapter 25A. If the energy and RECs are not so used, such companies shall sell such purchased energy into the wholesale spot market and shall sell such purchased RECs through a competitive bid process. Notwithstanding the previous sentence, the department of energy resources shall conduct periodic reviews to determine the impact on the energy and REC markets of the disposition of energy and RECs under this section and may issue reports recommending legislative changes if it determines that actions are being taken that will adversely affect the energy and REC markets. If a distribution company sells the purchased energy into the wholesale spot market and auctions the RECs as described in the above paragraph, the distribution company shall net the cost of payments made to projects under the long-term contracts against the proceeds obtained from all sales of procured energy and RECs, and the difference shall be credited or charged to all distribution customers through a uniform fully reconciling annual factor in distribution rates, subject to review and approval of the department of public utilities. The reconciliation process shall be designed so that a distribution company recovers all costs incurred under such contracts. If the RPS requirements of said section 11F of said chapter 25A terminate, ~~the obligation to continue periodic solicitations to enter into long-term contracts shall cease; provided however, that~~ contracts already executed and approved by the department of public utilities shall remain in full force and effect. This section shall not limit consideration of other contracts for RECs or

power submitted by a distribution company for review and approval by the department of public utilities.

~~(l) If this section is subject to a judicial challenge, the department of public utilities may suspend the applicability of the challenged provision during the pendency of the judicial action until final resolution of the challenge and any appeals and shall issue such orders and take such other actions as are necessary to ensure that the provisions that are not challenged are implemented expeditiously to achieve the public purposes of this section.~~

SECTION 3: Environmental Best Practices for Transmission Procurement

New language, not contained in already-filed bills or existing M.G.L.

SECTIONS 4-5 and 11-12: Municipal Lighting Plant Participation

New language, not contained in already-filed bills

Red = changes from existing M.G.L.

SECTION 4: Including Municipal Lighting Plants in Efficiency Programs

Section 19 of Chapter 25 is hereby amended by striking subsection (a) and inserting in its place:

Section 19. (a) The department shall require a mandatory charge of 2.5 mills per kilowatt-hour for all consumers~~, except those served by a municipal lighting plant,~~ to fund energy efficiency programs including, but not limited to, demand side management programs. The programs shall be administered by the electric distribution companies and by municipal aggregators with energy plans certified by the department under subsection (b) of section 134 of chapter 164. Municipal lighting plants shall be full participants in the programs within two years of enactment of this legislation. In addition to the aforementioned mandatory charge, such programs shall also be funded, without further appropriation, by: (1) amounts generated by the distribution companies and municipal aggregators under the Forward Capacity Market program administered by ISO -NE, as defined in section 1 of chapter 164; and (2) cap and trade pollution control programs, including, but not limited to, and subject to section 22 of chapter 21A, not less than 80 per cent of amounts generated by the carbon dioxide allowance trading mechanism established under the Regional Greenhouse Gas Initiative Memorandum of Understanding, as defined in subsection (a) of section 22 of chapter 21A, and the NOx Allowance Trading Program; and (3) other funding as approved by the department after consideration of: (i) the effect of any rate increases on residential and commercial consumers; (ii) the availability of other private or public funds, utility administered or otherwise, that may be available for energy efficiency or demand resources; and (iii) whether past programs have lowered the cost of electricity to residential and commercial consumers. In authorizing such

programs, the department shall ensure that they are delivered in a cost-effective manner capturing all available efficiency opportunities, minimizing administrative costs to the fullest extent practicable and utilizing competitive procurement processes to the fullest extent practicable.

SECTION 5: Including Municipal Lighting Plants in Renewable Energy Programs

Chapter 25, Section 20 is hereby amended by striking subsection (a) and inserting in its place:

Section 20. (a) The department shall require a mandatory charge of 0.5 mill per kilowatt-hour for all electricity consumers~~, except those served by a municipal lighting plant which does not supply generation service outside its own service territory or does not open its service territory to competition at the retail level,~~ to support the development and promotion of renewable energy projects. All revenues generated by the mandatory charge shall be deposited into the Massachusetts Renewable Energy Trust Fund, established under section 9 of chapter 23J.

(b) Notwithstanding any general or special law to the contrary~~: (1) a municipal lighting plant which does not supply generation service outside its own service territory or does not open its service territory to competition may elect to assess and remit a mandatory charge per kilowatt-hour upon its electricity consumers on the same terms and conditions as apply to the charge imposed on consumers residing in competitive distribution service territories under this section; provided, however, that such an election by a municipal lighting plant shall be irrevocable and such a municipal lighting plant shall not be deemed to be supplying generation service outside its service territory or opening its service territory to competition at the retail level for the purposes of the first sentence of subsection (a); and (2)~~ in administering the Massachusetts Renewable Energy Trust Fund, the Massachusetts clean energy technology center, shall not make any grant or loan or provide any subsidy from the trust fund to any municipal lighting plant or consumer residing in the distribution service territory of such municipal lighting plant unless: (A) a mandatory charge per kilowatt-hour is assessed against all consumers residing in the distribution service territory and remitted to the collaborative under the first sentence of subsection (a) or clause (1); or (B) the board of directors of the Massachusetts clean energy technology center, as a condition precedent to any such grant, loan or subsidy, shall have determined and incorporated into the minutes of its proceedings findings that: (i) any such grant, loan or subsidy is intended for the principal purpose of generating public benefits for those consumers who reside in distribution service territories in which the mandatory charge is so imposed and remitted and will generate only incidental private benefits to the recipient or others residing in a distribution service territory in which the mandatory charge is not so imposed and remitted; and (ii) the facts and circumstances associated with the recipient or the residence of the recipient provide unique or extraordinary

opportunities to advance the public purposes of the trust fund over those opportunities available through grants or subsidies made to recipients residing in distribution service territories in which such a mandatory charge is assessed and remitted.

SECTION 11: Including Municipal Lighting Plants in Renewable Portfolio Standard

Section 11F of Chapter 25A is hereby amended by striking subsection 11F(i) and inserting in its place:

~~(i) A municipal lighting plant shall be exempt from the obligations under this section so long as and insofar as it is exempt from the requirements to allow competitive choice of generation supply under section 47A of chapter 164.~~ A municipal lighting plant shall comply with the obligations under this section within five years of enactment of this legislation.

SECTION 12: Including Municipal Lighting Plants in Alternate Portfolio Standard

Section 11F1/2 of Chapter 25A is hereby amended by striking subsection (d) and adding in its place.

~~(d) A municipal lighting plant shall be exempt from the obligations under this section so long as and insofar as it is exempt from the requirements to allow competitive choice of generation supply under section 47A of chapter 164.~~ A municipal lighting plant shall comply with the obligations of this section within five years of enactment of this legislation.

SECTIONS 6-9: Maximizing Energy Efficiency

Red = changes to H2912

SECTION 6: Energy Efficiency Potential Study

Chapter 25 of the General Laws is hereby amended by adding the following after section 21 subsection (b)(3): --

(4) Each Three Year Plan shall be informed by a study identifying all potential efficiency and demand reduction resources that are cost effective or less expensive than supply. The study informing the plan may not be older than 5 years, but the first study shall be completed within 6 months of passage of this bill. The study shall be performed by a consultant procured by the Energy Efficiency Advisory Council (EEAC). The findings of the study shall be presented to the EEAC and the Department of Public Utilities.

~~The first study shall compare the savings goals of the currently applicable Three Year Plans to the potential identified in the first study. If the first study finds that the savings goals in the plan~~

~~currently underway are falling short of what potential indicates, thus failing to capture all available efficiency and demand reduction resources that are cost effective or less expensive than supply, then the distribution companies shall adopt the targets from the study as part of the mid-term modification process.~~

5) Each Three Year Plan shall project and describe the impact of the Plan on the statutory emissions reduction requirements of the Global Warming Solutions Act for 2020, 2050, and interim periods, once such standards are established.

SECTION 7: Use of Energy Efficiency Potential Study

Chapter 25 of the General Laws, section 21 subsection (d)(2) is amended by adding the following after the last sentence: --

To the extent that the Department approves a plan that contains a figure for all efficiency and demand reduction resources that are cost effective or less expensive than supply that is shown to be less than what is identified in the findings of the study called for in section 21(b)(4), the Department shall issue a finding explaining this difference. If a plan is adopted that contains lower savings in one or more years than those shown in the study, the burden of proof shall be on those intervenors advocating for lower savings, and on the Department, to show why the savings levels shown in the study are not feasible.

SECTION 8: Compliance with Three Year Plan

Chapter 25 of the General Laws, section 21 subsection (e) is hereby amended by striking out, in line 111, the word "may" and inserting in place thereof the following word: "shall".

SECTION 9: Providing information to EEAC

Section 22 of Chapter 25 of the General Laws is amended by adding the following after the last sentence of subsection 22(D):

The electric and natural gas distribution companies and municipal aggregators shall provide the council with all information it deems necessary to assess, monitor and evaluate the performance of programs and make necessary recommendations for improvements.

SECTION 10: Doubling RPS Standard

Identical to RPS doubling provision from S1757

SECTIONS 13-14 and 19-21: Solar & Net Metering Reforms

Entire sections are additions to Eldridge/Calter/Mark bill (S1170, H2852)

SECTION 22: Community Shared Solar Energy System

Red = changes to Eldridge/Calter/Mark bill (S1170, H2852)

Chapter 164 of the General Laws is hereby amended by inserting at the end of section 140 the following:—

(c) Notwithstanding any general or special law to the contrary, any community shared solar energy system, shall be exempt from taxes pursuant to chapter 59, section 5, clause Forty-Fifth of the General Laws, for a period of 20 years from the date of interconnection. For the purposes of this section, "community shared solar energy system" shall mean a solar powered system or device or a combination of solar powered systems or devices collectively owned by residents or non utility businesses that are placed on property owned by a cooperating local property owner, nonprofit organization or non utility business for the purpose of heating or otherwise supplying not more than 125 per cent of the annual energy needs of each of the owners of the system or device; provided, however, that (i) the ownership units shall be less than or equal to 25 kilowatts each and (ii) the owner of a community solar energy system unit shall receive an exemption in proportion to the owner's share of the system, as determined by the proportion of energy generated for use by the owner. This section shall take effect on January 1, 2016.

SECTIONS 15-17: Prioritize Local Energy Resources

New language, not part of already-filed bills

Red = changes from existing M.G.L.

SECTION 15: Local Energy Resource Alternative Definitions

Section 69G of chapter 164, as appearing in the 2014 Official Edition, is hereby amended by inserting the following definition after “electric company”:

“Electric transmission Facility: (1) a new electric transmission line having a design rating of 69 kilovolts or more and which is one mile or more in length on a new or existing transmission corridor; (2) a new electric transmission line having a design rating of 115 kilovolts or more which is 10 miles or more in length on an existing transmission corridor except reconductoring or rebuilding of transmission lines at the same voltage; or (3) an ancillary structure which is an integral part of the operation of any transmission line which is a facility.

Also amended by striking the definition for “facility” and inserting in its place:

“Facility”, (1) a generating facility; (2) an electric transmission facility; (3) a unit, including associated buildings and structures, designed for or capable of the manufacture or storage of gas, except such units below a minimum threshold size as established by regulation; and (4) a new pipeline for the transmission of gas having a normal operating pressure in excess of 100 pounds per square inch gauge which is greater than one mile in length except restructuring, rebuilding, or relaying of existing transmission lines of the same capacity.

Also amended by adding the following definition after “liquefied natural gas”:

“Local Energy Resource Alternative:” all of the following methods used either individually or combined to meet in whole or in severable part the need for a proposed electric transmission facility: energy efficiency and conservation, energy storage, load management, demand response or distributed generation.

SECTION 16: Local Energy Resource Alternatives in Petition to Construct

Section 69J of Chapter 164, as appearing in the 2014 Official Edition, is hereby amended by striking the third paragraph and inserting the following in its place:

A petition to construct a facility shall include, in such form and detail as the board shall from time to time prescribe, the following information: (1) a description of the facility, site and surrounding areas; (2) an analysis of the need for the facility over its planned service life, either within or outside, or both within and outside the commonwealth, including dates of need for the facility; (3) a description of the alternatives to the facility, such as other methods of transmitting or storing energy, other site locations, other sources of electrical power or gas, a reduction of requirements through load management, or local energy resource alternatives; and (4) a description of the environmental impacts of the facility. The board shall be empowered to issue and revise filing guidelines after public notice and a period for comment. A minimum of data shall be required by these guidelines from the applicant for review concerning land use impact, water resource impact, air quality impact, solid waste impact, radiation impact and noise impact.

Within 6 months of enactment of this section, the Department, in consultation with the EFSB, shall promulgate criteria and guidelines regarding: a) which electric transmission facilities shall additionally require consideration of local energy resource alternatives by the Board; b) how electric transmission facilities will be compared with local energy resource alternatives; and c) options for securing contracts for selected local energy resource alternatives, if any.

These criteria are to be reviewed and revised every 3 years. Criteria shall include, but are not limited to: asset condition or load growth-related need; cost threshold; load reduction necessary as a proportion of relevant peak load in the area to be served by the proposed electric transmission facility; and a date of need more than 36 months out. A transmission project that is constructed, owned and operated by a generator of electricity solely for the purpose of electrically and physically interconnecting the generator to the transmission system of a transmission and distribution utility shall not be subject to this section.

A petition to construct an electric transmission facility that meets the criteria promulgated by the Department under this section must also include the results of an investigation by an independent 3rd party, which may be the Board or a contractor selected by the Board, of local energy resource alternatives that may, alone or collectively, address part or all of the need identified in the petition for the proposed electric transmission facility. The investigation must set forth the total projected costs and economic benefits to ratepayers of the electric transmission facility, as well as of the local energy resource alternative(s), over the effective life of the proposed electric transmission facility.

SECTION 17: Local Energy Resource Alternatives Evaluated by EFSB

Section 69J of Chapter 164, as appearing in the 2014 Official Edition, is hereby amended by inserting below the fourth paragraph:

Additionally, prior to approving an electric transmission facility, the Board must consider whether some or all of the identified need of the proposed electric transmission facility can be reliably and safely met using one or more local energy resource alternative(s). During its review, the Board shall give preference to local energy resource alternatives that are identified as able to address the identified need for the proposed electric transmission facility more cost-effectively than the proposed facility.

The Board shall give preference to the local energy resource alternative(s) that individually or in combination address in whole or in part the identified need for the proposed electric transmission facility at greatest economic benefit to ratepayers. When the costs and benefits to ratepayers of the identified local energy resource alternative(s) are reasonably equal, the board shall give preference to the alternative(s) that advance the Commonwealth's climate goals.

In its Order, the Board must make specific findings with regard to the likelihood that its preferred local energy resource alternative(s) can address some or all of the identified need at greater benefits or lower costs than the proposed electric transmission facility. Local energy resource alternative(s) that can address the need at a reasonably similar lifetime cost shall be

preferred to the proposed electric transmission facility. If the Board determines that some or all of the identified need still exists, after incorporation of local energy resources, it shall approve the petition to construct the facility or portions thereof needed to address the remaining need.

If the Board determines that one or more local energy resources alternative(s) can sufficiently address the need identified by the petition to construct an electric transmission facility at overall greater economic benefit to ratepayers across the region than the facility, but at a higher cost to ratepayers in this State, the Board shall make reasonable efforts to achieve within 180 days an agreement among the states within the ISO-NE region to allocate the cost of the local energy resource alternative(s) among the ratepayers of the region using the allocation method used for transmission lines or a different allocation method that results in lower costs than the proposed electric transmission facility to the ratepayers of this State. Such reasonable efforts may include, if the Department approves, a mechanism that allows the transmission owners to retain a portion of the savings achieved on behalf of Massachusetts ratepayers through use of the local energy resource alternatives.

SECTION 18: No Electric Companies Contracting For Natural Gas Capacity

New language, not part of an already-filed bill

Red = changes to existing M.G.L.

Section 94A of chapter 164 of the General Laws:

~~No gas or electric company shall hereafter enter into a contract for the purchase of gas or electricity~~ No gas company shall hereafter enter into a contract for the purchase of gas, and no electric company shall hereafter enter into a contract for the purchase of electricity, covering a period in excess of one year without the approval of the department, unless such contract contains a provision subjecting the price to be paid thereunder for gas or electricity to review and determination by the department in any proceeding brought under section ninety-three or ninety-four; provided, that nothing herein contained shall be construed as affecting a contract for the purchase of gas or electricity from a person or corporation engaged in manufacturing, where the manufacture, sale or distribution of gas or electricity by such person or corporation is a minor portion of his or its business, and which contract is made in connection with a contract to supply such person or corporation with gas or electricity, or as affecting a contract for the purchase of electricity from an alternative energy producer. In any such proceeding the department may review and determine the price to be thereafter paid for gas or electricity under a contract containing said provision for review. Any contract covering a period in excess of one year subject to approval as aforesaid, and which is not so approved or which does not

contain said provision for review, shall be null and void. No gas company may contract for electricity pursuant to this section; and no electric company may contract for gas pursuant to this section. The department is authorized to exempt any electric or generation company from any or all of the provisions of this section upon a determination by the department, after notice and a hearing, that an alternative process or incentive mechanism is in the public interest.

SECTION 23: Energy Storage

Identical to S1762