Initiative Petition for a Law Relative to Solar and Renewable Energy

Be it enacted by the People, and by their authority:

SECTION 1. Section 3 of chapter 25A of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by inserting after the definition "Commissioner" the following 2 definitions:

"Community-shared solar facility", a solar net metering facility that is also a Class I, Class II or Class III net metering facility, as defined in section 138 of chapter 164, with 3 or more eligible recipients of net metering credits; provided, however, that not more than 50 percent of the credits produced by the facility shall be allocated to 2 such recipients; and provided further, that each of the remaining recipients shall receive not more than the amount of credits produced annually by 25 kW AC capacity.

"Commercial Community-shared solar facility", a solar net metering facility that is also Class I, Class II or Class III net metering facility, as defined in section 138 of chapter 164, with 3 or more eligible recipients of net metering credits; provided, however, that not more than 50 percent of the credits produced by the facility shall be allocated to 2 such recipients; and provided further, that each of the remaining recipients shall receive not more than the amount of credits produced annually by 300 kW AC capacity.

SECTION 2. Subsection (a) of section 11F of chapter 25A, as so appearing, is hereby amended by striking out clause (3) and inserting in place thereof the following 2 clauses:-

(3) an additional 1 per cent of sales every year until December 31, 2016; and (4) an additional 2.5 per cent of sales every year thereafter.

SECTION 3.Said chapter 25A is further amended by inserting after section 11I the following 2 sections: -

Section 11J. The department shall establish a Commonwealth Solar Program for all retail electricity suppliers selling electricity to end-use customers in the commonwealth to encourage the development of solar photovoltaic technology by residential, commercial, governmental and industrial electric customers throughout the Commonwealth. The program shall be structured such that, by December 31, 2025, 20 percent annually of all retail electric sales to end-use customers shall come from solar renewable energy resources. The department shall require that 50 per cent of eligible solar renewable generation resources under this program shall be community shared solar or commercial community shared solar renewable generation resources. The department may meet this requirement through a program that provides a performance based incentive to eligible

solar renewable generation resources, and may file such program with the department of public utilities for approval as a tariff or other mechanism that said department of public utilities may determine is appropriate, except the program may not be a direct procurement conducted by the distribution companies, as defined in section 1 of chapter 164. The department may meet this requirement through a program established under subsection (g) of section 11F.

Section 11K. The department shall investigate and establish incentives for storage technologies to compliment solar and other renewable and alternative energy generation resources, provide for future technologies, and provide for strategic grid security for the commonwealth. The department may provide such incentives by a program established under section 11F ½.

SECTION 4. Section 5 of chapter 59 of the General Laws, as so appearing, is hereby amended by striking out clause 45 and inserting in place thereof the following clause:-

Forty-fifth, Any solar or wind powered system that is capable of producing not more than 125 per cent of the annual energy needs of the property upon which it is located and is behind the electric meter serving the energy needs of that property. All other solar and wind powered systems shall also be exempt provided that the owner has made to the city or town where the system is located a payment in lieu of taxes equal to 6 per cent of the system's gross electricity sales, including receipt of net metering credits as defined in section 138 of chapter 164, in the preceding calendar year. For tax years 1 and 2, the payments shall be annualized based on gross estimated sales derived from a formula to be determined by the department of revenue, in consultation with the department of energy resources. An exemption under this clause shall be allowed only for a period of 20 years from the date of operation of such system.

SECTION 5. Section 138 of chapter 164, as so appearing, is hereby further amended by striking out in line 50, the figure "1" and inserting in place thereof the following figure:- 3

SECTION 6. Said section 138 of said chapter 164, as so appearing, is hereby further amended by striking out in line 69, the figure "2" and inserting in place thereof the following figure:- 6

SECTION 7. Section 138 of chapter 164 of the General Laws, as so appearing, is hereby amended by inserting after the definition of "Renewable energy" the following definition:-

"Solar net metering credit" a credit equal to the excess kilowatt-hours by time of use billing period, if applicable, multiplied by the sum of the distribution company's: (i) default service kilowatt-hour charge in the ISO-NE load zone where the customer is located; (ii) distribution kilowatt-hour charge; (iii) transmission kilowatt-hour charge; and (iv) transition kilowatt-hour charge; provided, however, that "solar net metering

credit" shall not include the demand side management and renewable energy kilowatt-hour charges set forth in sections 19 and 20 of chapter 25. The department may adjust the distribution kilowatt-hour charge after public notification and hearing.

SECTION 8. Section 139 of said chapter 164, as so appearing, is hereby further amended by inserting after subsection (b) the following subsection:

(b 1/2) A solar net metering facility, the nameplate capacity of which is equal to or greater than 1 megawatt, except for those facilities are community shared solar facilities or commercial shared solar facilities as defined in section 3 of chapter 25A,, that submits an application to the system of assurance under subsection (g) after December 31, 2016, or if such system ceases to exist, executes an interconnection service agreement with a distribution company after December 31, 2016, shall generate solar net metering credits instead of Class I, II, or III net metering credits. If the electricity generated by a solar net metering facility during a billing period exceeds the customer's kilowatt-hour usage during the billing period, the customer shall be billed for 0 kilowatt-hour usage and the excess solar net metering credits shall be credited to the customer's account. Credits may be carried forward from month to month. A solar net metering facility may designate customers of the same distribution company to which the net metering facility is interconnected and that are located in the same ISO-NE load zone to receive such credits in amounts attributed to such customers by the solar net metering facility. Written notice of the identities of the customers so designated and the amounts of the credits to be attributed to those customers shall be in such form as the distribution company shall reasonably require. In the instance of a class III solar net metering facility, a distribution company may elect not to allocate such credits and instead may purchase solar net metering credits from the facility at the rates provided in this section. In all instances, community-shared solar and commercial community-shared solar shall be credited the full solar net metering rate.

SECTION 9. Said section 139 of said chapter 164, as so appearing, is hereby further amended by striking out, in lines 45 and 47, the words "or Class III" and inserting in place thereof, in each instance, the following words:- , Class III or solar.

SECTION 10. Said section 139 of said chapter 164 is hereby further amended by striking out subsection (f) and inserting in place thereof the following subsection:-

(f) The maximum amount of generating capacity eligible for net metering by a municipality or other governmental entity shall be 10 megawatts.

SECTION 11. The department of public utilities shall open a proceeding to investigate barriers to interconnection of distributed generation resources and determine if adoption of a mechanism, including but not limited to a system benefit charge, is necessary to provide compensation to distribution companies to ensure a reliable and safe electric grid while also ensuring that constraints of the distribution system do not present barriers to interconnection of distributed generation resources.