

The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF PUBLIC HEARING AND REQUEST FOR COMMENTS

D.P.U. 23-140

Investigation by the Department of Public Utilities, On Its Own Motion, Instituting a Rulemaking Pursuant to the Acts of 2022, c. 179, § 54, G.L. c. 30A, § 2, and 220 CMR 2.00 to Amend the Net Metering Regulations at 220 CMR 18.00.

On July 30, 2024, the Department of Public Utilities ("Department"), issued an Order commencing a rulemaking proceeding, pursuant to G.L. c. 30A, § 2, and 220 CMR 2.00, to approve proposed regulations amending 220 CMR 18.00 ("Proposed Net Metering Regulations") (Order Opening Rulemaking). Specifically, the Department proposes to amend its Net Metering Regulations to implement the net metering provisions of Chapter 179 of the Acts of 2022, An Act Driving Clean Energy and Offshore Wind ("2022 Clean Energy Act"), as well as additional changes for administrative clarification. The Department docketed this matter as D.P.U. 23-140.

A copy of the Department's Order and Proposed Net Metering Regulations will be available on the Department's website as soon as practicable at <https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber> (enter "23-140").

The Department will conduct a virtual public hearing to receive comments on the rulemaking. During the public hearing, any member of the public will be able to provide comments. The Department will conduct a public hearing using Zoom video conferencing on **September 4, 2024**, beginning at **2:00 p.m.** Attendees can join by entering the link, <https://us06web.zoom.us/j/86410780167>, from a computer, smartphone, or tablet. No prior software download is required. For audio-only access to the hearing, attendees can dial in at 1 (646) 558-8656 (not toll free) and then enter the Webinar ID number: 864 1078 0167. If you anticipate providing comments via Zoom during the public hearing, please send an email by **August 30, 2024**, to katherine.e.stock@mass.gov and jennifer.cargill@mass.gov with your name, email address, and mailing address. Alternatively, any person who desires to provide written comment on this matter may submit their comments to the Department no later than the close of business (5:00 p.m.) on **September 4, 2024**, and reply written comments no later than close of business (5:00 p.m.) on **September 18, 2024**. The Department welcomes specific recommended language changes to the Proposed Net Metering Regulations. Additionally, the Department seeks comments on the following topics:

1. G.L. c. 164, § 139(i) now defines Cap Exempt Facilities to include Class I Net Metering Facilities that (1) are not Net Metering Facilities of a Municipality or Other Governmental Entity, provided that they are generating Renewable Energy; (2) have a Nameplate Capacity equal to or less than 25 kW or if the Nameplate Capacity is greater than 25 kW such a facility must serve On-site Load, other than parasitic or station load; and (3) have executed ISA on or after January 1, 2021. Please respond to the following:
 - a. Explain whether the Department should establish a deadline by which Affected Class I Net Metering Facilities must be reclassified as cap exempt. If so, what deadline should the Department establish? Please also provide any recommendations on additional administrative steps that should be established for such facilities to relinquish their Cap Allocations and be reclassified as Cap Exempt Facilities.
 - b. Refer to Net Metering Rulemaking, D.P.U. 21-100-A at 53-55 (February 15, 2024), the Department's exception to the credit allocation process, where Affected Host Customers may reallocate Net Metering Credits that accrued, or will accrue, on accounts between January 1, 2022, and March 31, 2025. Explain whether this credit allocation exception should be extended to Class I Cap Exempt Facilities that serve On-site Load. If so, explain whether the date range identified is sufficient or if it should be adjusted.
2. Explain whether a random audit process of interconnected Net Metering Facilities, conducted by the Administrator, would be useful in ensuring compliance with Net Metering program requirements. When conducting the audit, the Administrator would confirm that the capacity of a Net Metering Facility matches the Cap Allocation granted to that Facility.
3. Explain whether you agree with the Department's proposal in Section II.C(7) of Order Opening Rulemaking, to require Cap Exempt Facilities Serving On-site Load to assign 100 percent of Net Metering Credits to the meter behind which the Net Metering Facility is interconnected.
4. Explain whether the Department should define the term Nameplate Capacity in 220 CMR 18.02.
 - a. If no, explain why.
 - b. If yes, please comment on the Department's proposed definition of Nameplate Capacity.
5. Explain whether the Department should define the term Renewable Energy Generating Facility in 220 CMR 18.02.

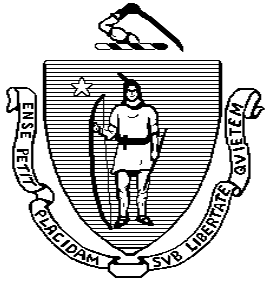
- a. If no, explain why.
 - b. If yes, please comment on the Department's proposed definition of Renewable Energy Generating Facility.
6. Currently, in the context of pre-existing Net Metering Facilities that seek to expand, the Distribution Companies either issue a new ISA or amend the existing ISA, but there is not a consistent approach across Distribution Companies. Thus, where a pre-existing net metering facility seeks to expand, explain whether the Department should direct the Distribution Companies to engage in consistent treatment of ISAs, e.g., by directing each Distribution Company to issue new ISAs or to amend existing ISAs. Explain whether the Department should direct consistent treatment, with associated reasons favoring or opposing. If the Department should direct consistent treatment, please indicate what that treatment should be.
7. (For Distribution Companies and Administrator) Review the proposed process described in Section II.D(2) in the Order Opening Rulemaking to reclassify Affected Class I Facilities and comment on its feasibility and workability, including the proposed time-frames. As part of your response, please provide an estimated time frame for Step 3.
8. (For Distribution Companies and Administrator) Describe the safeguards or processes that would be employed to ensure that Cap Allocations are revoked only for the appropriate Affected Class I Facilities (i.e., those greater than ten kW but less than or equal to 25 kW and those greater than 25 kW but less than or equal to 60 kW that serve On-site Load) and not, for example, expansions that may appear as though they are facilities within the identified capacity range but are, in fact, part of a facility the total capacity of which exceeds 25 kW.
9. (For Administrator Only) Please describe ways in which these implementation processes could be improved.
10. (For Distribution Companies Only) Refer to D.P.U. 21-100-A at 70-73. Please provide an update on the incremental costs and upgrades necessary to move towards allowing monthly Schedule Z updates. As part of the update, please provide the incremental costs of processing Schedule Z updates monthly, including for designated allocations across Distribution Company service territories, and assessing the potential decline in quality and accuracy of validation and processing of revised Schedule Zs in moving from updates four times per year to monthly.

Written comments from the public may be sent by email to dpu.efiling@mass.gov, katherine.e.stock@mass.gov, and jennifer.cargill@mass.gov. Please note that in the interest of transparency, any comments are posted to our website as received and without redacting personal information, such as addresses, telephone numbers, or email addresses. As such, consider the

To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), contact the Department's ADA coordinator at Jenyka.Spitz-Gassnola2@mass.gov.

/s/

Mark D. Marini, Secretary



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

Small Business Impact Statement

(As required by M.G.L. c. 30A §§ 2, 3 & 5)

CMR No.: 220 CMR 18.00: Net Metering

Estimate of the Number of Small Businesses Impacted by the Regulation: With some narrow exceptions, any small business or other customer of an investor-owned electric utility could install a Net Metering Facility, which would subject them to the Net Metering regulations. It is difficult to determine how many small businesses could be impacted by 220 CMR 18.00.

Select Yes or No and Briefly Explain

Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Will small businesses have to create, file, or issue additional reports? Net Metering is a fully optional benefit for small businesses and all other electric customers under the regulations, and small businesses need not create, file or issue any reports.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Will small businesses have to implement additional recordkeeping procedures? Net Metering is a fully optional benefit for small businesses with no recordkeeping requirements.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Will small businesses have to provide additional administrative oversight? Net Metering is a fully optional benefit for small businesses which, if exercised, may result in additional administrative oversight (e.g., kWh generated by the net metering facility).
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Will small businesses have to hire additional employees in order to comply with the proposed regulation? Net Metering is a fully optional benefit for small businesses which, if exercised, may result in additional administrative tasks, and even the hiring of additional employees (e.g., a clean energy coordinator).
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does compliance with the regulation require small businesses to hire other professionals (e.g., a lawyer, accountant, engineer, etc.)? Net Metering is a fully optional benefit for small businesses which, if exercised, may result in hiring professionals, to develop renewable energy projects.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation? Net Metering is a fully optional benefit for small businesses, and therefore there is no requirement to purchase a product or make any other capital investments to comply with the regulation.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Are performance standards more appropriate than design/operational standards to accomplish the regulatory objective? (Performance standards express requirements in terms of outcomes, giving the regulated party flexibility to achieve regulatory objectives and design/operational standards specify exactly what actions regulated parties must take.)

		Performance standards are not more appropriate than design/operational standards.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Do any other regulations duplicate or conflict with the proposed regulation? No other regulations duplicate or conflict with the proposed regulation.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation require small businesses to cooperate with audits, inspections or other regulatory enforcement activities? If a small business pursues Net Metering, it may be subject to the Department of Public Utilities' regulatory oversight.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements? 220 CMR 18.00 does not require small businesses to provide educational services to keep up to date with regulatory requirements.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Is the regulation likely to <i>deter</i> the formation of small businesses in Massachusetts? 220 CMR 18.00 is not likely to deter the formation of small businesses in Massachusetts.
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Is the regulation likely to <i>encourage</i> the formation of small businesses in Massachusetts? It is possible that the regulation will result in the formation of small renewable energy businesses.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation provide for less stringent compliance or reporting requirements for small businesses? Compliance for voluntary participants is dictated by G.L. c. 164, §§ 138 through 140.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses? Compliance for voluntary participants is dictated by G.L. c. 164, §§ 138 through 140.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Did the agency consolidate or simplify compliance or reporting requirements for small businesses? Compliance for voluntary participants is dictated by G.L. c. 164, §§ 138 through 140.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Can performance standards for small businesses replace design or operational standards without hindering delivery of the regulatory objective? All businesses must comply with the standards established in 220 CMR 18.00
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Are there alternative regulatory methods that would minimize the adverse impact on small businesses? The DPU was required to promulgate 220 CMR 18.00 pursuant to G.L. c. 164, §§ 138 through 140. The DPU is required to amend 220 CMR 18.00 pursuant to St. 2022, c. 179, § 54, amending M.G.L. c. 164, § 139. There are no alternative regulatory methods that would minimize the adverse impact on small businesses.