



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 11-75-A

January 23, 2012

Investigation by the Department of Public Utilities on its own Motion into Distributed Generation Interconnection.

ORDER ESTABLISHING DISTRIBUTED GENERATION WORKING GROUP

I. INTRODUCTION

On September 28, 2011, the Department of Public Utilities (“Department”) opened an investigation into the interconnection of distributed generation in Massachusetts. Investigation into the Interconnection of Distributed Generation, D.P.U. 11-75 (2011).¹ This investigation is focused on reviewing the existing distributed generation interconnection standards and application procedures to determine what changes should be implemented to ensure an efficient and effective interconnection process. D.P.U. 11-75, at 2-3.

The Department requested comments from interested persons on the establishment of a stakeholder process to address distributed generation interconnection issues. D.P.U. 11-75, at 3. Specifically, the Department sought comments on (1) the appropriate scope of issues that should be addressed in this investigation, and (2) what procedural mechanisms are best suited to investigate such issues. D.P.U. 11-75, at 3.

On October 28, 2011, the Department received comments from the Attorney General of the Commonwealth of Massachusetts (“Attorney General”); the Cape Light Compact and the Cape and Vineyard Electric Cooperative, Inc. (together, “Compact/CVEC”); the DOER²; the Low-Income Energy Affordability Network (“LEAN”) the Northeast Clean Heat and Power

¹ The Department opened this investigation in response to a petition from the Massachusetts Department of Energy Resources (“DOER”). DOER’s petition was

² DOER submitted joint comments with Aeronautica Windpower, LLC; American DG Energy, Inc.; Boreal Renewable Energy Development; the Compact/CVEC; Co-Energy America; Klavens Law Group, P.C.; Nexamp, Inc.; Nexant, Inc.; Northeast Combined Heat and Power Initiative; Renewable Resources Development Coalition; Rivermoor Energy, LLC; The Solar Alliance; Solventerra, LLC; and Tecogen.

Initiative (“NECHPI”); and the Massachusetts electric distribution companies, including Fitchburg Gas and Electric Light Company, d/b/a Unitil (“Unitil”), Massachusetts Electric Company and Nantucket Electric Company, d/b/a National Grid (“National Grid”), NSTAR Electric Company (“NSTAR Electric”), and Western Massachusetts Electric Company (“WMECo”) (together, “Distribution Companies”).³ On November 14, 2011, the Department received reply comments from the Attorney General, Compact/CVEC; DOER, the Interstate Renewable Energy Council (“IREC”), LEAN, and the Distribution Companies.

II. DISTRIBUTED GENERATION WORKING GROUP

A. Introduction

On June 13, 2002, the Department issued an Order opening a Notice of Inquiry into distributed generation. Distributed Generation, D.T.E. 02-38 (2002). As a result of that proceeding, the Massachusetts distributed generation collaborative (“DG Collaborative”) was formed. D.T.E. 02-38-A at 3-4. The DG Collaborative⁴ was tasked with, among other things, developing standard statewide procedures for the interconnection of distributed generation to the electric distribution system in Massachusetts. D.T.E. 02-38-A at 3-4. In response to the Department’s directives in D.T.E. 02-38-A, the DG Collaborative developed a model interconnection tariff that established uniform standards for the interconnection of distributed generation. D.T.E. 02-38-B (2004). The Department approved the model interconnection

³ The Distribution Companies submitted joint comments.

⁴ For a listing of the members and participants in the DG Collaborative see D.T.E. 02-38-B at 2 n.3 (2004).

tariff on February 24, 2004. D.T.E. 02-38-B (2004).⁵ Since approval of the model interconnection tariff, the Department also has approved several tariff amendments, most recently on August 20, 2009, to accommodate revised net metering rules. Net Metering, D.P.U. 09-03-A (2009). In this investigation, D.P.U. 11-75, the Department intends to build on the work of the DG Collaborative and update the model interconnection tariff as necessary.

B. Establishment of Distributed Generation Working Group

In order to investigate distributed generation interconnection issues, the Department stated that it intends to engage all interested persons in a broadly representative stakeholder process. D.P.U. 11-75, at 3. The commenters agree that such engagement should be through a collaborative working group (Attorney General Comments at 1-2; Compact/CVEC Comments at 3; Distribution Companies Comments at 8-9; DOER Joint Comments at 2-5; DOER Reply Comments at 2; LEAN Comments at 1; Lean Reply Comments at 1; NECHPI Comments at 1-2). The Distribution Companies, Compact/CVEC, and DOER note that all issues might not be resolvable through a working group and, therefore, that an adjudicatory proceeding before the Department may be necessary to resolve certain issues (Distribution Companies Comments at 9; Compact/CVEC Comments at 3; DOER Joint Comments at 2-4). DOER further notes that the Department should not reconvene the former DG Collaborative, but rather should establish a new working group (DOER Joint Comments at 4-5).

⁵ Subsequently, each Distribution Company adopted the model interconnection tariff, and the Department approved each company's individual tariff.

The Department periodically uses collaborative initiatives and working groups to reach a consensus among stakeholders that are affected by a particular issue. Energy Efficiency Guidelines, D.P.U. 08-50-A at 5 (2009); Standards for Arrearage Management Programs, D.T.E. 05-86, at 15 (2006); Gas Unbundling Collaborative, D.T.E. 98-32-B (1999); Street Restoration Standards, D.T.E. 98-22, at 2 & n.3 (1999); Electric Industry Restructuring, D.P.U. 95-30, at 46-47 (1995). The Department agrees with the commenters that a working group is an appropriate means to investigate and resolve issues associated with the interconnection of distributed generation. Accordingly, the Department convenes a distributed generation working group (“Working Group”) of interested parties as further discussed below.

The original DG Collaborative established uniform standards for the interconnection of distributed generation in the wake of the restructuring of the electric industry. D.T.E. 02-38, at 1-2. Building on this solid foundation, the goal of the Working Group here is to determine what changes should be implemented to ensure an efficient and effective interconnection process that will foster continued growth of distributed generation in Massachusetts. The Department notes that the Working Group should not endeavor to recreate or reconvene the DG Collaborative, but rather should focus on the issues that need to be addressed in order to update the existing distributed generation interconnection framework.

C. Structure of Distributed Generation Working Group

We first address how the Working Group should be organized. The Attorney General supports a Department-led collaborative process (Attorney General Comments at 1-2). The Distribution Companies note that a collaborative working group should be under the auspices

of the Department and its staff, but they nonetheless support a third-party facilitator to lead the collaborative process (Distribution Companies Comments at 8-9; Distribution Companies Reply Comments at 2). DOER recommends that an independent facilitator lead the collaborative process (DOER Joint Comments at 4). Alternatively, NECHPI recommends that DOER lead the process (NECHPI Comments at 2).

The goal of the Working Group is to reach a consensus on distributed generation interconnection issues. However, as some commenters note, consensus may not be attainable on some issues and additional Department process may be necessary, including a possible adjudicatory proceeding. Because consensus may not be attainable on some issues and the Department may be engaged in additional process, the Department will refrain from serving as facilitator of the Working Group. In addition, as the party that filed the petition initiating this investigation and as sponsor of the DG Report, it is not appropriate for DOER to serve as facilitator. The Department concludes that an independent, third-party facilitator should be retained to manage the Working Group.

The Department, therefore, directs the Distribution Companies to issue a request for proposals (“RFP”) for a facilitator to manage the Working Group no later than 30 days from the date of this Order. The Distribution Companies should submit the responses to the RFP and their recommendation as to who should serve as facilitator to the Department for review and approval of a facilitator no later than 60 days after the date of this Order.

The facilitator should manage the Working Group according to the following guidelines. The facilitator is granted latitude in regard to the organizational structure⁶ and timeframe for completing tasks of the Working Group. Participants in the Working Group should initially include all persons on the document distribution list in D.P.U. 11-75.⁷ The facilitator shall submit monthly status reports to the Department. These monthly reports should be brief and include only a summary of the activity of the Working Group. The facilitator shall submit a final report (“Final Report”) to the Department, including recommendations and proposals for all issues, whether resolved or unresolved, considered by the Working Group.⁸ Such report shall be submitted to the Department within four months of Department approval of the facilitator. After the Final Report is submitted to the Department, the Department will determine the appropriate next steps.

No commenter suggested a method to fund this collaborative initiative. The Working Group is strongly encouraged to propose to the Department a method to pay for the facilitator and support costs, such as through available state or federal funding, or through distributed

⁶ For example, as issues are identified, it may be expedient to establish issue specific committees and subcommittees.

⁷ Interested persons not currently on the distribution list that wish to take part in the Working Group should contact Mark D. Marini, Secretary (mark.marini@state.ma.us) and Benjamin N. Spruill, Hearing Officer (benjamin.spruill@state.ma.us), Department of Public Utilities, One South Station – 5th Floor, Boston, Massachusetts 02110, telephone, 617-305-3500.

⁸ In addition, the Working Group may submit optional interim reports recommending a course of action for specific issues.

generation interconnection application fees.⁹ Unless and until provided otherwise, the Distribution Companies will be responsible for the costs of retaining a facilitator and the support costs necessary for the functioning of the Working Group. All such reasonable and prudently incurred costs shall be recoverable in rates by the Distribution Companies. Each Distribution Company may request recovery in rates as part of its next general rate case filed pursuant to G.L. c. 164, § 94, or as otherwise ordered by the Department.

D. Scope of Distributed Generation Working Group

After consideration of the comments, the Department finds no reason to limit the scope of the Working Group regarding the distributed generation interconnection issues it will address. Nonetheless, as discussed above, the Working Group should build upon the solid foundation established by DG Collaborative and revisit elements of the distributed generation interconnection process only as necessary to expedite that process. The Working Group should consider the issues presented in the DG Report, DOER Petition, comments filed in this proceeding, and any other related issue determined relevant by the Working Group. Accordingly, the Working Group is directed to (1) determine what issues should be resolved regarding the current distributed generation interconnection standards and application procedure to ensure an efficient and effective interconnection process, and (2) deliberate with the goal of reaching a consensus on a resolution of such issues for Department review and approval.

⁹ The DG Collaborative was sponsored by the Massachusetts Technology Collaborative. D.T.E. 02-38-A at 4.

III. ORDER

Accordingly, after due notice, comment, and consideration, it is

ORDERED: That Fitchburg Gas and Electric Light Company, d/b/a Unitil;
Massachusetts Electric Company and Nantucket Electric Company, d/b/a National Grid;
NSTAR Electric Company; and Western Massachusetts Electric Company shall comply with
the directives contained in this Order.

By Order of the Department,

/s/
Ann G. Berwick, Chair

/s/
Jollette A. Westbrook, Commissioner

/s/
David W. Cash, Commissioner