



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 17-22-A

May 31, 2018

Inquiry by the Department of Public Utilities on its own Motion into application of the Net Metering Regulations pursuant to 220 CMR 18.00, and the Single Parcel and Subdivision Rules, pursuant to Net Metering and Interconnection of Distributed Generation, D.P.U. 11-11-C (2012).

ORDER ANNOUNCING NET METERING BLANKET EXCEPTIONS AND STREAMLINING PROCESS

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I. INTRODUCTION AND PROCEDURAL HISTORY

On March 15, 2017, the Department of Public Utilities (“Department”) opened an inquiry to investigate the application of certain aspects of the net metering regulations pursuant to 220 CMR 18.00 (“Net Metering Regulations”), and blanket exceptions to the Single Parcel and Subdivision Rules, pursuant to Net Metering and Interconnection of Distributed Generation, D.P.U. 11-11-C (2012). The Department stated that this inquiry would review the current standards and procedures by which distributed generation projects seek exceptions to the net metering rules and regulations. The Department sought comments on capacity aggregation, blanket exceptions, net metering credit allocation procedures, and streamlining the Department’s review of petitions for exceptions from the net metering rules and regulations, and petition requirements. On April 10, 2017, the Department received comments from stakeholders on these issues.¹ On May 3, 2017, the Department held a technical conference to discuss these issues, attended by many of the commenters and

¹ The Department received comments from: Attorney General Maura Healey (“Attorney General”); Ampion; The Cadmus Group, Inc. acting as the Administrator of the System of Assurance for Net Metering Eligibility (“Cadmus” or “Administrator”); Cities of Boston, Cambridge, Chelsea, Melrose, Somerville, and the Town of Natick (“SolSmart Communities”); Coalition for Community Solar Access (“CCSA”); Massachusetts Department of Energy Resources (“DOER”); E4TheFuture, Inc.; Fitchburg Gas and Electric Light Company d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, NSTAR Electric Company d/b/a Eversource Energy (jointly “Distribution Companies” or individually “Distribution Company”); Hunt Farm Holsteins; Mr. Steven Keleti (“Mr. Keleti”); Northeast Clean Energy Council (“NECEC”); Representative Jonathan Hecht (“Representative Hecht”); Richey Properties and Mark Richey (“Richey Properties”); the Solar Coalition; Solar Store of Greenfield; Vanguard Renewables; and Vote Solar.

additional individuals interested in net metering. On June 9, 2017, the Hearing Officers issued a memorandum requesting that stakeholders file comments on staff's straw proposals, which included five potential blanket exceptions and some requests for information from the Distribution Companies (Hearing Officer Memorandum at 2-7 (June 9, 2017)). The Department received reply comments from stakeholders on July 25, 2017.² This Order contains findings regarding capacity aggregation for cap allocation and credit value, two blanket exceptions, net metering credit allocation procedures, and net metering petition streamlining. This Order does not address the Subdivision Rule. The Department anticipates issuing a subsequent Order regarding the Subdivision Rule.

II. D.P.U. 11-11-C AND D.P.U. 11-11-E

In D.P.U. 11-11-C at 18, 23, the Department defined the terms "unit" and "facility" with respect to net metering. An eligible net metering facility is defined as "the energy generating equipment associated with a single parcel of land, interconnected with the electric distribution system at a single point, behind a single meter" ("Single Parcel Rule").

D.P.U. 11-11-C at 23. After the Single Parcel Rule was established, the Department acknowledged that there would be instances where an exception to the Single Parcel Rule would be warranted, stating that "if a facility needs relief from one of these requirements, it may seek an exception from the Department (i.e., for exceptions to the single parcel

² The Department received reply comments from: Attorney General; Ampion; Boston Community Capital ("BCC"); Cadmus; City of Cambridge and City of Somerville (jointly "Cities"); CCSA; Distribution Companies; DOER; Klavens Law Group; Representative Hecht; Richey Properties; the Solar Coalition; Urban Green Technologies; Vanguard Renewables; and Wedgwood Properties.

requirement) or from the Distribution Companies (i.e., for exceptions to the single interconnection point and/or from the single meter requirement).” Net Metering and Interconnection of Distributed Generation, D.P.U. 11-11-E at 14, 19 (2013). The Department currently considers petitions for exceptions to the Single Parcel Rule on a case-by-case basis. D.P.U. 11-11-E at 14.

III. CAPACITY AGGREGATION

A. Introduction

In D.P.U. 17-22, the Department sought comments on whether the generating capacity of all net metering facilities on a single parcel of land should be aggregated for the purpose of receiving a cap allocation from the System of Assurance of Net Metering Eligibility (“System of Assurance”). The Department also sought stakeholder input on whether granted exceptions that permit multiple net metering facilities on a single parcel of land should be required to aggregate their generating capacity for the purpose of calculating class size and net metering credits. In a June 2017 hearing officer memorandum, the Department sought further comments on challenges and potential solutions related to tracking the aggregate capacity on a single parcel of land (Hearing Officer Memorandum at 7-8 (June 9, 2017)).

B. Aggregation of Capacity for Cap Allocation Summary of Comments

1. Cadmus

While Cadmus does not take a position as to whether the Department should require aggregation of capacity for cap allocation purposes, it provides information about the

implications of such aggregation. As the Administrator of the System of Assurance, Cadmus indicates that aggregation of generating capacity of all net metering facilities located on a single parcel would likely require updates to its software and requisite documentation (Cadmus Comments at 1). Without these upgrades, Cadmus outlines a number of additional burdens that would have to be placed on net metering applicants (Cadmus Comments at 2). Cadmus states that tracking aggregate capacity for the purposes of cap allocations presents unique challenges (Cadmus Reply Comments at 2). The first challenge, according to Cadmus, is that individual facilities in an aggregation must be associated with the System of Assurance by some means to determine if a cap allocation is necessary and available under the relevant cap (Cadmus Reply Comments at 2). The second challenge that Cadmus presents is that the sum of the capacities of an aggregation may grow or decline over time (Cadmus Reply Comments at 2). Cadmus explains that because additions of a facility to an aggregation could create the need for a cap allocation or could change the value of net metering credits, additional approval by host customers or an agent of the aggregation should be required (Cadmus Reply Comments at 2).

2. The Solar Coalition³

The Solar Coalition does not support aggregating generating capacity of multiple net metering facilities on a single parcel that are interconnected behind different meters or have different accounts provided that each net metering facility has a separate owner or host (Solar Coalition Comments at 2, 4). The Solar Coalition states that should the Department require aggregation, tracking aggregate capacity would be feasible and practical because the interconnection process requires an applicant to provide location and capacity information of the systems (Solar Coalition Reply Comments at 8). The Solar Coalition argues that ensuring projects do not exceed Department-imposed limits on aggregate capacity could be accomplished by tracking capacity by address or project (Solar Coalition Reply Comments at 8).

C. Aggregation of Capacity for Cap Allocation Analysis and Findings

The net metering laws and regulations do not specify the treatment of capacity aggregation for cap allocations relating to exceptions that permit multiple net metering

³ The Solar Coalition is an unincorporated, ad hoc group of builders, non-profit organizations, and solar developers including E2 Solar Inc., Chris and Deanne Riddle, New England Clean Energy LLC, New England Environmental, Inc., Northeast Solar Design Associations LLC, Pioneer Valley Co-Housing, Pioneer Valley Habitat for Humanity, Pioneer Valley Photovoltaics Cooperative Inc. (PV Squared Solar), Solar Energy Business Association of New England, SolarFlair Energy, Inc., South Mountain Company, Sunbug Solar, Sungage Financial Inc., The Boston Solar Company, Boston Community Capital, Solect Energy, and Wright Builders Inc. (Solar Coalition Comments at 1 n.1).

facilities on a single parcel of land.⁴ The Department concludes that stakeholders will benefit from clarity regarding aggregation of capacity for cap allocation purposes. Cadmus identified several challenges with aggregating the capacity of several net metering facilities for cap allocation purposes on a single parcel of land such as a need for different software, the challenges of linking facilities to a particular aggregation, and the difficulty of tracking aggregation as facilities change over time (Cadmus Reply Comments at 2). The Solar Coalition does not support aggregation of capacity for cap allocation (Solar Coalition Comments at 2, 4). During the May 3, 2017 technical conference, attendees brainstormed possible ways to overcome these challenges. The Department is persuaded that the disadvantages of aggregating capacity for cap allocation mentioned above outweigh the advantages. The Department has previously issued Orders regarding specific net metering facilities confirming that host customers are not required to aggregate the capacity of those multiple facilities for the purposes of applying for a cap allocation. See, e.g., Econox Renewables, Inc., D.P.U. 17-30, at 18-19 (2017); Powerhead LLC, D.P.U. 16-157, at 21-22 (2017); Preservation of Affordable Housing, D.P.U. 16-55, at 20-22 (2017). Therefore, the Department finds that host customers granted a blanket exception, as discussed below, or future petitioners that obtain an exception from the Single Parcel Rule permitting the

⁴ Where there is a statutory gap, the agency charged with the administration of a statute is to spell out details of the legislative policy. United States v. Mead Corp., 533 U.S. 218, 227 (2001), citing Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837, 843-844 (1984); Middleborough v. Housing Appeals Committee, 449 Mass. 514, 523 (2007), citing Zoning Board of Appeals of Wellesley v. Housing Appeals Committee, 385 Mass. 651, 654 (1982).

construction of multiple net metering facilities on a single parcel of land are not required to aggregate the capacity of multiple net metering facilities on a single parcel of land for the purpose of applying for a cap allocation.

D. Aggregation of Capacity for Credit Calculation Summary of Comments

1. Cadmus

Cadmus argues that if the aggregation of capacity is required for credit calculation and assigning net metering classes, the Distribution Companies should track aggregate capacity (Cadmus Comments at 1, 3).

2. Distribution Companies

The Distribution Companies contend that aggregating capacity for the purpose of calculating class size and net metering credits would be administratively complex, burdensome, and require oversight (Distribution Companies Comments at 5). The Distribution Companies assert that the main challenge posed by tracking aggregated net metering capacity and associated credit value is the continuing uncertainty of the Department's interpretation of exceptions to the Single Parcel Rule (Distribution Companies Reply Comments at 15-16). The Distribution Companies disagree with Cadmus' recommendation that the Distribution Companies track aggregate capacity and they propose that tracking aggregate capacity should be done by the Administrator of the System of Assurance (Distribution Companies Reply Comments at 17). The Distribution Companies contend that the Administrator should request a user fee from customers to track the aggregate capacity, class size, and net metering credit valuations associated with an exception

(Distribution Companies Reply Comments at 16). The Distribution Companies describe the System of Assurance as the most efficient and transparent means of addressing the challenges associated with aggregate capacity and credit valuation (Distribution Companies Reply Comments at 17).

3. SolSmart Communities

The SolSmart Communities support setting caps for all net metering facilities on a single parcel (SolSmart Communities Comments at 3). The SolSmart Communities assert that the aggregated net metering capacity on a parcel should determine a net metering facility's eligibility and class size, not the number of facilities per parcel (SolSmart Communities Comments at 6 citing D.P.U. 11-11-E at 18 n.14).

4. The Solar Coalition

As mentioned in Section III.B.2, above, the Solar Coalition does not support aggregating generating capacity of multiple net metering facilities on a single parcel interconnected behind different meters (Solar Coalition Comments at 2).

5. Vote Solar

Vote Solar argues that the passage of Chapter 75 of the Acts of 2016, an Act Relative to Solar Energy ("Solar Energy Act") introduced unintended consequences for net metering (Vote Solar Comments at 2). Vote Solar contends that implementing a lower 60-percent market net metering credit rate for private non-cap exempt facilities, thereby lowering the incentive for virtual net metering, has caused developers to construct multiple Cap Exempt

Facilities rather than one large facility (Vote Solar Comments at 2-3).⁵ To remedy this unintended consequence, Vote Solar proposes a two-pronged approach: (1) if the aggregate capacity of all net metering facilities located on a single parcel of land is below two megawatts (“MW”), then the aggregate capacity on a single parcel would determine the class size and net metering credit value without requiring the host customer to seek an exception from the Department; (2) net metering customers eligible for a blanket exception to the Single Parcel Rule should still have the option to petition the Department for a further facility-specific exception from the net metering rules (Vote Solar Comments at 3). Vote Solar states that the Administrator should be the entity to track aggregate capacity (Vote Solar Comments at 4).

E. Aggregation of Capacity for Credit Calculation Analysis and Findings

The net metering laws and regulations do not specify the treatment of capacity aggregation for credit calculation relating to exceptions that permit multiple net metering facilities on a single parcel of land. The Solar Coalition and Distribution Companies do not support aggregating capacity for credit calculation purposes (Distribution Companies Comments at 5; Solar Coalition Comments at 2). Vote Solar argues that aggregating capacity should not necessarily happen, but proposes to aggregate all capacity on the parcel to determine the net metering class and credit value and further permit such facilities to petition

⁵ A Cap Exempt Facility means a Class I net metering facility that is a renewable energy generating facility and has a nameplate capacity rating equal to or less than: (1) ten kilowatts (“kW”) on a single-phase circuit; or (2) 25 kW on a three-phase circuit. G.L. 164, § 139(i); 220 CMR 18.02.

the Department (Vote Solar Comments at 3-4). The Distribution Companies argue that aggregating capacity to calculate class size and net metering credits would be administratively complex, burdensome, and require oversight (Distribution Companies Comments at 5). The Department accepts the Distribution Companies' claim that aggregating capacity to calculate net metering credits would be administratively burdensome and difficult to implement.

Moreover, Cap Exempt Facilities are required to generate a net metering credit equal to 100 percent of the net excess kilowatt-hours (kWh") multiplied by the basic service, distribution, transition, and transmission charges. G.L. c. 164, §§ 138, 139(i). When the statute's language is certain, we afford its ordinary meaning. Engie Gas & LNG LLC v. Department of Public Utilities, 475 Mass. 191, 197 (2016). The language of the statute is "the primary source of insight into the intent of a legislature." Commissioner of Correction v. Superior Court Dept. of Trial Court For the County of Worcester, 446 Mass. 123, 124 (2006) citing International Fidelity Insurance Company v. Wilson, 387 Mass. 841, 853, (1983). To require the aggregation of capacity for multiple Cap Exempt Facilities on a single parcel of land would contravene explicit and clear statutory requirements. Therefore, the Department finds that host customers granted a blanket exception, as discussed below, from the Single Parcel Rule to construct multiple net metering facilities of any size on a single parcel of land are not required to aggregate the capacity of multiple net metering facilities on a single parcel of land for the purpose of credit calculation. The Department will address whether to aggregate the capacity of multiple net metering facilities on a single parcel of land for the purpose of credit calculation on a case-by-case basis for future

petitioners that obtain an exception from the Single Parcel Rule permitting the construction of multiple net metering facilities on a single parcel of land.⁶

In four dockets, the Department granted the petitioners' requests for an exception to the net metering rules and regulations and directed each petitioner to aggregate the capacity of their net metering facilities for credit calculation purposes. Direct Energy Solar, D.P.U. 15-74, at 17-18 (2015); NSTAR Electric Company, D.P.U. 15-174, at 28 (2016); Jonathan Bracken, D.P.U. 16-36, at 11 (2016); and Preservation for Affordable Housing, Inc., D.P.U. 16-55, at 22 (2017). The Department granted these four petitions based on the facts presented and deemed it necessary to aggregate the capacity for credit calculation purposes. The Department clarifies that the petitioners who were previously granted exceptions from the net metering rules and regulations in D.P.U. 15-74, D.P.U. 15-174, D.P.U. 16-36, and D.P.U. 16-55 shall continue to aggregate the net metering facilities' capacity when calculating net metering credits.

IV. BLANKET EXCEPTIONS

A. Introduction

The Department's staff developed five straw proposals for blanket exceptions to the Single Parcel Rule for public comment (Hearing Officer Memorandum at 2-7 (June 9, 2017)). The Department received thoughtful comments from stakeholders on the

⁶ While the Department will not require all host customers that are granted an exception to the Single Parcel Rule to aggregate the capacity of multiple net metering facilities on a single parcel of land for the purpose of credit calculation, it may require such an aggregation for non-Cap Exempt Facilities, if deemed necessary.

proposed blanket exceptions. Based on the comments received and the Department's goal to prevent regulatory uncertainty and manipulation of the regulatory system, we further discuss proposal 1 regarding multiple technologies and proposal 2 regarding rooftop Cap Exempt below. The Department has determined that it does not have sufficient information at this time to proceed with a discussion and findings regarding proposal 3 (one facility per rooftop without virtual net metering), proposal 4 (rooftop multi-tenant without virtual net metering), or proposal 5 (one facility over two parcels). The Department restates the first two straw proposals for ease of reference (Hearing Officer Memorandum at 2-3 (June 9, 2017)).

Multiple Technologies Blanket Exception ("Proposal 1"): There may be more than one net metering facility per parcel of land only if all of the following conditions are met:

- a. each net metering facility is a different renewable energy technology (e.g., wind, solar, anaerobic digestion);
- b. all net metering facilities must be in the same net metering cap (i.e., all facilities in one electric Distribution Company's public cap or all facilities in one Distribution Company's private cap);
- c. if the net metering facilities are in the private cap, the aggregate capacity of all the net metering facilities on the parcel of land may not exceed two MW alternating current ("AC").⁷ If the net metering facilities are in the public cap, the aggregate capacity of all the net metering facilities on the parcel of land may not exceed ten MW;
- d. each net metering facility must have a separate meter and separate interconnection point; and
- e. agricultural net metering facilities would not be considered a separate technology (i.e., one wind net metering facility that is also an agricultural net metering facility may not be co-located on the same parcel of land as a

⁷ Unless otherwise noted, all capacity and energy measurements in this Order refer to AC.

wind net metering facility that is not an agricultural net metering facility).
G.L. c. 164, § 138; 220 CMR 18.02.

Rooftop Cap Exempt Blanket Exception (“Proposal 2”): There may be more than one net metering facility per parcel of land only if all of the following conditions are met:

- a. all net metering facilities must be located on rooftops, facilities may be located on different rooftops on the same parcel of land; and
- b. the aggregate capacity rating of all of the net metering facilities on the parcel of land must be ten kW or less on a single-phase circuit or 25 kW or less on a three-phase circuit.

B. General Comments on Proposals

1. Attorney General

The Attorney General supports the Solar Coalition’s proposed blanket exception in D.P.U. 16-117 because it would increase access to net metering benefits, ease the Department’s administrative burdens by reducing the number of petitions filed requiring review, and reduce costs for net metering applicants by eliminating the need to hire an attorney to assist with the Department’s petition process (Attorney General Comments at 5). The Attorney General recommends that the Department attempt to align the policy goals of the net metering program and the Commonwealth’s other solar incentive programs (Attorney General Comments at 8).

2. Distribution Companies

The Distribution Companies contend that blanket exceptions to the Single Parcel Rule or the Subdivision Rule are not prudent (Distribution Companies Comments at 2). The Distribution Companies note that the Department rejected requests for blanket exemptions for certain types of facilities in the past (Distribution Companies Comments at 2, citing

D.P.U. 11-11-E at 10-11). The Distribution Companies explain that the Department rejected prior requests for blanket exceptions because it would make the term “facility” meaningless, and blanket exemptions would make it difficult to determine the parameters and net metering credits of Cap Exempt Facilities (Distribution Companies Comments at 2).

The Distribution Companies have several additional concerns about Proposal 1 and Proposal 2 beyond those identified by the Department (Distribution Companies Reply Comments at 2). The Distribution Companies explain that each proposal eliminates part of the petition review process and minimizes a safeguard against manipulation of the net metering system (Distribution Companies Reply Comments at 2). The Distribution Companies assert that this reduced process is generally at odds with the Department’s responsibilities outlined in D.P.U. 11-11-C (Distribution Companies Reply Comments at 2-3). The Distribution Companies further explain that any blanket exception will inevitably benefit a group of projects at the expense of others (Distribution Companies Comments at 3). The Distribution Companies contend that the Department’s rigorous petition process results in a balancing of the relative interests and that maintaining the current procedure is the best way to prevent manipulation of the net metering system (Distribution Companies Reply Comments at 3-4).

The Distribution Companies assert that the blanket exception process will not result in administrative efficiency because some process will be required to ensure that participants qualify for blanket exceptions (Distribution Companies Reply Comments at 4-5). The Distribution Companies also note that the Department has not outlined how blanket

exceptions would be monitored, tracked, or obtained by customers nor the process, if any, by which disputes would be resolved (Distribution Companies Reply Comments at 4, 6).

Furthermore, the Distribution Companies argue that the number of petitions seeking an exception from the Single Parcel Rule has not exceeded 15 per year (Distribution Companies Reply Comments at 4-5).

The Distribution Companies contend that allowing for a blanket exception will introduce complexities into the interconnection application process (Distribution Companies Reply Comments at 5). The Distribution Companies explain that they must operate the electric distribution system in a safe and reliable manner and that each application for interconnection for distributed generation must meet this standard (Distribution Companies Reply Comments at 5). The Distribution Companies note that some design requests for multiple facilities on a single parcel do not meet the Distribution Companies' current interconnection standards and requirements (Distribution Companies Comments at 10-11). The Distribution Companies also assert that locating multiple facilities on a single parcel of land, even when the interconnection design is allowed, may result in unanticipated consequences such as additional interconnecting studies, modifications, or extended timelines (Distribution Companies Comments at 11).

3. The Solar Coalition

The Solar Coalition supports the establishment of meaningful blanket exceptions that increase access to the benefits of solar power (Solar Coalition Reply Comments at 2).

However, the Solar Coalition contends that the Department's proposals do not ease the

burdens of small scale solar proponents, especially those seeking to install solar in a multi-tenant or low-income context (Solar Coalition Reply Comments at 3). The Solar Coalition recognizes the Department's concerns with gaming the net metering system and fairness issues associated with depletion of the available net metering cap; thus, it recommends relatively narrow changes to the proposals (Solar Coalition Reply Comments at 3).

C. Proposal 1 Summary of Comments

1. Cadmus

Cadmus states that the System of Assurance can be modified to ensure that the aggregate capacity of the facilities does not exceed two MW (Cadmus Reply Comments at 1). Cadmus recommends that the Department create and assign an aggregation identification number to parcels with multiple facilities (Cadmus Reply Comments at 1). Cadmus requests that the Department clarify whether aggregating the capacity of Cap Exempt Facilities would now require a cap allocation (Cadmus Reply Comments at 1).

2. Cities

The Cities note that Proposal 1 would not satisfy their need for multiple solar net metering facilities per parcel (Cities Reply Comments at 1-2). The Cities maintain that solar photovoltaic ("PV") is the primary renewable energy technology in their municipalities because it is the most technically feasible option in dense urban environments (Cities Reply Comments at 1-2). The Cities do not support Proposal 1 due to the requirement that each net metering facility be a different renewable energy technology (Cities Reply Comments at 1-2).

The Cities urge the Department to implement a blanket exception allowing for multiple residential solar net metering facilities on a single parcel of land with a one-MW limit per parcel (Cities Reply Comments at 1-2).

3. Distribution Companies

The Distribution Companies state that Proposal 1 is generally consistent with the Department's definitions of "unit" and "facility" established in D.P.U. 11-11-C (Distribution Companies Reply Comments at 7). The Distribution Companies indicate that compliance with conditions (a) and (d) of Proposal 1 will allow for accurate calculation of net metering credit values (Distribution Companies Reply Comments at 7). The Distribution Companies interpret "separate meter" in Proposal 1 to require a separate revenue meter and separate billing account for each net metering facility unless granted an optimal interconnection exception (Distribution Companies' Reply Comments at 7). The Distribution Companies seek clarification on: (1) whether condition (a) under Proposal 1 excludes non-renewable generating facilities from qualifying for the blanket exception; and (2) how the requirements in Proposal 1 that all net metering facilities be renewable and in the same net metering cap will be impacted by the Department's pending ruling on hydroelectric power net metering facilities (Distribution Companies Reply Comments at 7-8). The Distribution Companies also request that should Proposal 1 be approved, the Department should reiterate that there is a ten-MW limit on generating capacity cap for municipalities or other governmental entities that is still determined by calculating the sum of all facilities throughout all distribution company service territories for which they are host customers (Distribution Companies Reply

Comments at 8). The Distribution Companies suggest that either the Department or the System of Assurance establish application and tracking processes for obtaining a blanket exemption that are paid for by program participants (Distribution Companies Reply Comments at 8).

4. DOER

DOER is encouraged that Proposal 1 adequately safeguards against gaming and manipulation of the net metering system (DOER Reply Comments at 2). DOER recommends that the Department not aggregate capacity by technology on a single parcel of land but consider multiple technologies located on a single parcel to be entirely separate net metering facilities (DOER Reply Comments at 2). DOER maintains that this approach will support the Commonwealth's policy goal of enabling deployment of a variety of renewable technologies by allowing landowners that are able to site multiple technologies on a single parcel to participate in net metering (DOER Reply Comments at 2).

5. Klavens Law Group

Klavens Law Group agrees with the majority of Proposal 1, but recommends two changes (Klavens Law Group Reply Comments at 1). First, Klavens Law Group recommends that the Department remove the requirement that all facilities on the same parcel of land have cap allocations in the same cap because different projects may be developed by different owners at different times with one owner in the public cap and one in the private cap (Klavens Law Group Reply Comments at 1-2). Klavens Law Group asserts that this requirement is overly burdensome, unlikely to prevent gaming of the net metering system,

and would appear to undercut the Department's stated purpose of streamlining the exception process (Klavens Law Group Reply Comments at 2). Second, Klavens Law Group requests that the Department allow ground-mounted, building-mounted, and canopy solar to be treated as different "technologies" for determining eligibility for this exception, arguing that landowners, in taking net metering services, should not have to choose among installing solar panels on a roof, on the ground, or on a canopy (Klavens Law Group Reply Comments at 2). Klavens Law Group explains that economic comparisons of the types of solar facilities would likely lead to construction of more ground-mounted facilities, which would contradict the Commonwealth's policies favoring building-mounted and canopy projects (Klavens Law Group Reply Comments at 2).

6. Richey Properties

Richey Properties urges the Department to interpret the term "facility" in Proposal 1 as the combination of energy-generating equipment including different technologies (Richey Properties Reply Comments at 1-2).⁸ Richey Properties does not agree with section (d) of Proposal 1 requiring net metering facilities to have a separate meter and separate interconnection point (Richey Properties Reply Comments at 1). Richey Properties supports Proposal 1, if modified to permit multiple technologies to operate behind a single meter and

⁸ Richey Properties interprets the Legislature's definition of "facility" to include the combined renewable energy generating equipment, in whatever combination, within the caps allowed under each class (Richey Properties Reply Comments at 1). Richey Properties contends that the Department has incorrectly interpreted "facility" to be defined as each piece of generating equipment behind a single interconnection point, and behind a single meter (Richey Properties Reply Comments at 1).

constitute a single facility (Richey Properties Reply Comments at 1). Richey Properties contends that if it is possible for a facility with both wind and solar technologies, for example, to be designed behind a single meter, then such a facility should be allowed to operate behind one meter at the sole option of the customer (Richey Properties Comments at 1-2).

7. Vanguard Renewables

Vanguard Renewables states that section (a) of Proposal 1, requiring all net metering facilities on a single parcel to be under the same net metering cap, would unnecessarily constrain host customers seeking exceptions (Vanguard Renewables Reply Comments at 2). Vanguard Renewables asserts that the economics of a project and the identity of its offtaker(s) are the drivers for a host customer's decision to apply for a cap allocation in the public or private cap (Vanguard Renewables Reply Comments at 2). Vanguard Renewables acknowledges the Department's concerns that allowing multiple projects in different caps may lead to twelve MW of net metering facilities on the same parcel, but asserts that permitting and engineering constraints would prevent such a situation from occurring (Vanguard Renewables Reply Comments at 2).

Vanguard Renewables requests that facilities that were exempt from the Single Parcel Rule because their interconnection service agreement ("ISA") was executed prior to the issuance of D.P.U. 11-11-C should not count as the single facility type of each technology

(Vanguard Renewables Reply Comments at 2).⁹ Vanguard Renewables also requests that the Department consider treating the different types of solar installations (e.g., ground-mounted, roof-mounted, and solar canopy) as different technologies (Vanguard Renewables Reply Comments at 2).

8. Wedgewood Properties

Wedgewood Properties argues that section (d) of Proposal 1 should allow for interconnection behind a single meter at the discretion of the customer and not the Distribution Company (Wedgewood Properties Reply Comments at 2). Wedgewood Properties contends that the technology already exists to calculate the credits generated by multiple facilities of different renewable energy technologies behind a single meter (Wedgewood Properties Reply Comments at 2). Wedgewood Properties supports Proposal 1, if modified to permit multiple technologies to operate behind a single meter and constitute a single facility (Wedgewood Properties Reply Comments at 2).

⁹ Certain net metering facilities that were interconnected or already under construction and certified to interconnect within a specified time period at the time that the Department was developing the System of Assurance were grandfathered, meaning that they were exempt from the System of Assurance (“grandfathered facilities”). Net Metering Rulemaking, D.P.U. 16-64-H at 4 (2017); D.P.U. 11-11, at 7-8 (2011); System of Assurance, § 5(B). The term “grandfathered” has become a convenient, shorthand term to describe operating under an existing set of expectations when new rules are set in place. However, the Department acknowledges the racial and gendered history of a grandfather clause (“The Racial History Of The ‘Grandfather Clause’”, <https://www.npr.org/sections/codeswitch/2013/10/21/239081586/the-racial-history-of-the-grandfather-clause>). Notwithstanding, the Department’s continued use of the term grandfathered facilities is appropriate to avoid stakeholder confusion. The Department’s use of the term is not intended to condone the historic inequities inherent in the original grandfather clause.

D. Proposal 1 Analysis and Findings

The majority of stakeholders are in favor of granting a blanket exception that would allow more than one net metering facility on a single parcel of land if each net metering facility is powered by a different renewable energy technology (Attorney General Comments at 5; CCSA Comments at 1; DOER Comments at 2; E4TheFuture, Inc. Comments at 4; Klavens Law Group Reply Comments at 1; Mr. Keleti Comments at 1; NECEC Comments at 6; Richey Properties Reply Comments at 1; Solar Coalition Reply Comments at 2; Vanguard Comments at 5; Vote Solar Comments at 7; Wedgwood Properties Reply Comments at 2). The Distribution Companies generally recommend against creating a blanket exception but contend that a multiple technologies exception is consistent with the Department's definitions of "unit" and "facility" established in D.P.U. 11-11-C (Distribution Companies Reply Comments at 7).

The Department is convinced that creating a blanket exception based on Proposal 1 ("Multiple Technologies Blanket Exception") will be useful to stakeholders and is sufficiently narrow to prevent regulatory uncertainty and manipulation of the regulatory system. Below, the Department clarifies some issues and discusses requirements with which host customers must comply to qualify for the Multiple Technologies Blanket Exception.

First, the Department addresses comments regarding the definition of a renewable energy technology. Klavens Law Group and Vanguard Renewables request that the Department consider treating different types of solar installations (e.g., ground-mounted, roof-mounted, and solar canopy) as different technologies (Klavens Law Group Reply

Comments at 1; Vanguard Renewables Reply Comments at 2). The Department disagrees with this interpretation and clarifies that the Department accepts the renewable portfolio standard (“RPS”) definition when defining a “renewable” energy technology. Therefore, two different renewable net metering facilities could qualify for the blanket exception only if their fuel source is different. The Department confirms that agricultural net metering facilities are not considered a separate technology.¹⁰ G.L. c. 164, § 138; 220 CMR 18.02; Order Promulgating Final Regulations, D.P.U. 17-10-A at 25-31 (2017). In response to the Distribution Companies’ comments, the Department states that in D.P.U. 17-10-A, the Department found it appropriate to exempt small hydro net metering facilities participating in the small hydroelectric net metering program (“SHP”) from the Single Parcel Rule. D.P.U. 17-10-A, at 40. As such, the Multiple Technologies Blanket Exception does not currently apply to small hydro net metering facilities participating in the SHP meaning that a small hydro net metering facility may operate on the same parcel of land as a solar net metering facility without having to submit information to the Department to confirm eligibility for the Multiple Technologies Blanket Exception. Vanguard Renewables requests that grandfathered facilities not count as the single net metering facility type of each technology (Vanguard Renewables Comments at 2). The Department disagrees with Vanguard Renewables’ recommendation and declines to exempt grandfathered facilities from the requirement that there can only be a single facility type of each technology. Exempting

¹⁰ One wind net metering facility that is also an agricultural net metering facility may not be co-located on the same parcel of land as a wind net metering facility that is not an agricultural net metering facility.

grandfathered facilities from the single technology requirement of the Multiple Technologies Blanket Exception could result in manipulation of the net metering system.

Second, the Department addresses comments regarding the aggregate capacity allowed on the single parcel of land. DOER recommends allowing each technology that qualifies for the Multiple Technologies Blanket Exception to net meter up to two MW on a single parcel of land (DOER Comments at 2; DOER Reply Comments at 2). The Department does not accept DOER's recommendation. The Department has set a requirement that private net metering facilities may not net meter more than two MW per parcel of land and to reverse this decision would create uncertainty in the net metering system. D.P.U. 11-11-C at 23. Klavens Law Group and Vanguard Renewables recommend that the Department remove the requirement that all facilities qualifying for the exception must have cap allocations in the same cap (Klavens Law Group Reply Comments at 1; Vanguard Renewables Reply Comments at 2). The Department agrees that there are situations where a host customer may want one net metering facility in the public cap and one net metering facility in the private cap and that allowing this configuration would not result in manipulation or uncertainty in the net metering system. As such, the Department deviates from its straw proposal and finds that for the Multiple Technologies Blanket Exception, if any of the net metering facilities are in the private cap, the aggregate capacity of all the net metering facilities on the parcel of land may not exceed two MW. For the Multiple Technologies Blanket Exception, if all net metering facilities are in the public cap, the aggregate capacity of all the net metering facilities on the parcel of land may not exceed ten MW. The Department reminds host

customers with net metering facilities in the public cap that the ten-MW limit on generating capacity for municipalities or other governmental entities (“public entity” or “public entities”) is determined by calculating the sum of all facilities throughout all Distribution Company service territories for which it is a host customer. Therefore, a host customer that qualifies for the Multiple Technologies Blanket Exception with net metering facilities that are only in the public cap may not be able to develop ten MW on the single parcel of land because some of its public entity ten-MW capacity is already allocated to one or more net metering facilities located elsewhere.¹¹

Lastly, the Distribution Companies request that the Department clarify the metering and interconnection requirements to qualify for the Multiple Technologies Exception. Through An Act Relative to Green Communities, An Act Relative to Competitively Priced Electricity in the Commonwealth, and An Act to Promote Energy Diversity, the Legislature created statutory definitions for four technology-specific facilities: anaerobic digestion net metering facility, small hydroelectric net metering facility, solar net metering facility, and wind net metering facility. St. 2008, c. 169, § 78; St. 2012, c. 209, § 23; St. 2016, c. 188, § 10; G.L. c. 164, §§ 138, 139A. Each technology-specific net metering facility definition is a facility that generates electricity from a specific renewable source (*i.e.*, biogas produced by the accelerated biodegradation of organic material under controlled anaerobic conditions in accordance with G.L. c. 2A, § 11F, water, sunlight, or wind). G.L. c. 164, §§ 138, 139A.

¹¹ Public entities may view the status of their ten-MW capacity and amount of capacity remaining on the System of Assurance website:
<https://app.massaca.org/PublicEntity10MWCapTracking/Report.aspx>.

The technology-specific definitions noticeably link a renewable source with a single net metering facility. G.L. c. 164, §§ 138, 139A.¹²

As of the date of this Order, the net metering credit values set by the Legislature differ for the technology-specific facilities. Anaerobic digestion net metering facilities earn a net metering credit value equal to 100 percent of the net excess kilowatt-hours multiplied by the basic service, transition, transmission, and distribution charges for Class I, Class II, and Class III public net metering facilities. G.L. c. 164, § 138; 220 CMR 18.04. Small hydroelectric net metering facilities participating in the SHP earn a net metering credit value equal to 100 percent of the net excess kilowatt-hours multiplied by the basic service charge in the ISO New England Inc. load zone where the host customer is located. G.L. c. 164, § 139A; 220 CMR 18.04(6A). Solar net metering facilities earn a net metering credit value equal to 100 percent or 60 percent of the net excess kilowatt-hours multiplied by several Distribution Company charges depending on the size, host customer, and offtaker identities. G.L. c. 164, §§ 138, 139(b¹/₂), (k); 220 CMR 18.04. Wind net metering facilities earn a net metering credit value equal to 100 percent of the net excess kilowatt-hours multiplied by the basic service, transition, transmission, and distribution charges for Class I, Class II, and Class III public net metering facilities. G.L. c. 164, § 138; 220 CMR 18.04.

¹² An agricultural net metering facility, neighborhood net metering facility, and net metering facility of a municipality or other governmental entity is each a single facility based on its purpose, host customer, and offtaker identities. See Net Metering Rulemaking, D.P.U. 17-10-A at 8 (2017). An agricultural, neighborhood, and net metering facility of a municipality or other governmental entity may generate electricity using any single technology. G.L. c. 164, § 138.

Since the Legislature set out different net metering credit values depending on a particular facility's specific technology, the Department finds that each technology requires a separate meter to ensure that the correct net metering credit value can be ascertained. The Department has no evidence in this record regarding meters with the capability to accurately and consistently measure the electricity generated by different technology sources.

Consequently, the Department clarifies its requirements that a single net metering facility consists of the generating equipment affiliated with a single technology, associated with a single parcel of land based on boundaries recorded at the relevant Registry of Deeds, at a single interconnection point, behind a single meter. See, e.g., D.P.U. 11-11-C at 25. We reiterate that Distribution Companies may grant exceptions to net metering facilities qualifying for the Multiple Technologies Blanket Exception from the single interconnection point and/or the single meter requirement the Department's requirements for metering and interconnection points on the basis of optimal interconnect. D.P.U. 11-11-E at 15-16.

However, the Department clarifies that all net metering facilities of different technologies, regardless of whether host customers seek to interconnect the facilities through the Multiple Technologies Blanket Exception, must be separately metered to allow for the precise measurement of electricity production attributable to each technology.¹³ The net metering facilities also must comply with the National Electric Code, follow all other net metering rules and regulations, comply with the Standards for Interconnection of Distributed

¹³ For example, the Distribution Companies could not permit a configuration where both a wind and a solar facility are located behind one single meter based on optimal interconnection.

Generation tariff and the relevant Distribution Company's Information and Requirements For Electric Service,¹⁴ and comply with any related state and municipal zoning and building codes and laws.¹⁵

Accordingly, the Department approves a Multiple Technologies Blanket Exception set forth as Proposal 1 and as modified herein. To summarize the Multiple Technologies Blanket Exception approved herein, a host customer may qualify for the Multiple Technologies Blanket Exception and have more than one net metering facility per parcel of land only if all of the following conditions are met:

- a) the net metering facilities must be participating in the general net metering program, not the SHP;
- b) each net metering facility generates electricity from a specific renewable source that meets the RPS standard for "renewable" (e.g., wind, solar, anaerobic digestion);
- c) there may be no more than one type of each renewable energy technology per parcel of land (e.g., one wind, one solar, and one anaerobic digester);
- d) if any of the net metering facilities are in the private cap, the aggregate nameplate capacity¹⁶ of all the net metering facilities on the parcel of land may not exceed

¹⁴ For example, the NSTAR Electric Company Information and Requirements For Electric Service is available at https://www.eversource.com/content/docs/default-source/pdfs/ema-information_requirements_for_electric_service.pdf.

¹⁵ The National Electrical Code requires the labeling of each source of electricity to prevent configurations where multiple sources of electricity are feeding a single area. The National Electrical Code has been implemented as the Massachusetts Electrical Code by the Board of Fire Prevention Regulations for the purpose of protecting persons and property from hazards arising from the use of electricity. 527 CMR 12.00.

¹⁶ Nameplate capacity means, for the purposes of calculating net metering capacity only, the nominal capacity of a system that reflects normal operating conditions, and not maximizing the operating conditions. Fitchburg Gas and Electric Light Company

two MW AC. If all net metering facilities are in the public cap, the aggregate nameplate capacity of all the net metering facilities on the parcel of land may not exceed ten MW AC;

- e) the host customer of each net metering facility must demonstrate that it has submitted an application for interconnection to the Distribution Company and obtained confirmation that the Distribution Company deems the application for interconnection complete, as discussed further below;
- f) each net metering facility must have a separate meter;¹⁷
- g) each net metering facility must comply with the National Electric Code; and
- h) the host customers must submit documentation to the Department as set forth below.

E. Proposal 2 Summary of Comments

1. Attorney General

The Attorney General objects to the Department's requirement in Proposal 2 that host customers of net metering facilities seeking to qualify for the exception must aggregate their capacity (Attorney General Reply Comments at 6-7). The Attorney General maintains that aggregation should not be required because doing so would defeat the statutory intent to ease the administrative burden of net metering for small, residential solar facilities (Attorney General Reply Comments at 6). The Attorney General explains that there would be challenges for both the Administrator and the Distribution Companies in modifying their

d/b/a Unitil - M.D.P.U. No. 269, at Schedule Z, Sheet 142; Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid - M.D.P.U. No. 1320, at Schedule Z, Sheet 148; NSTAR Electric Company d/b/a Eversource Energy - M.D.P.U. No. 55, at Schedule Z, Page 155.

¹⁷ The Distribution Company shall furnish and install the meter for billing purposes (NSTAR Electric Company Information and Requirements for Electric Service, Art. 700; National Grid Information and Requirements for Electrical Service, Art. 900).

current application and tracking procedures to meet the demands presented by the aggregation of Cap Exempt Facility capacity (Attorney General Reply Comments at 6). The Attorney General argues that Cap Exempt Facility host customers would have to take on the additional burden of reporting their combined capacity to the Administrator, among other administrative responsibilities (Attorney General Reply Comments at 6). The Attorney General also asserts that limiting the overall capacity for Cap Exempt Facilities does not solve the underlying fairness issue that arises when different host customers want to net meter on the same parcel (Attorney General Reply Comments at 7). The Attorney General argues that an early adopter of net metering on a parcel could receive all of the benefits and could prevent his or her neighbors from net metering (Attorney General Reply Comments at 7). To address this unfairness, the Attorney General proposes that, instead of having aggregate capacity limitations for Cap Exempt Facilities, the Department should require each Cap Exempt Facility on a parcel to have a separate interconnection point and demonstrate that each facility on the parcel has a separate existing utility account (Attorney General Reply Comments at 7).

2. Cities

The Cities affirm that Proposal 2 could satisfy the need for multiple solar net metering facilities on rooftops on the same parcel (Cities Reply Comments at 2). The Cities, however, do not agree with the proposed aggregate capacity limits of the net metering facilities arguing that they are insufficient to allow multiple unit owners on a single parcel to simultaneously net meter (Cities Reply Comments at 2). The Cities propose limits of 25 kW per net metering facility and one MW of aggregate capacity per parcel (Cities Reply Comments

at 2). The Cities also propose that municipally-funded projects be exempt from the individual net metering facility cap and have a two-MW aggregate capacity limit (Cities Reply Comments at 2).

3. Distribution Companies

The Distribution Companies note that Proposal 2 includes appropriate measures to safeguard against manipulation of the net metering system, provided that each net metering facility is separately billed, metered, interconnected, and that net metering credits are correctly calculated (Distribution Companies Reply Comments at 8-9). As noted above, the Distribution Companies specifically request that the Department require a separate revenue meter and billing account for each facility, unless the facility is provided an optimal interconnection exception (Distribution Companies Reply Comments at 9). The Distribution Companies also request that the Department require any facility installed on a rooftop with an existing service to be interconnected behind that meter for existing service (Distribution Companies Reply Comments at 9). The Distribution Companies propose that the Administrator register and track facilities qualifying for the exception separately from the private net metering cap and recover the associated costs from those seeking to qualify (Distribution Companies Reply Comments at 9).

4. DOER

DOER affirms that Proposal 2 adequately safeguards against gaming and manipulation of the net metering system (DOER Reply Comments at 2). DOER proposes that the Department consider merging and amending Proposal 2 and Proposal 3 for simplicity and

consistency in how rooftop solar is provided exceptions from the Single Parcel Rule (DOER Reply Comments at 3).

DOER suggests, in the alternative, that the Department allow several Cap Exempt Facilities that are solar net metering facilities on a single parcel if the facilities are located on separate buildings on the same parcel of land, are separately metered, and have separate interconnection points (DOER Reply Comments at 3). DOER also reiterates that it recommends that capacity of the same technology on the same parcel should be aggregated for the purposes of determining net metering class size and credit values, and to ensure that the public or private cap limitations are not exceeded (DOER Reply Comments at 3). DOER maintains that incorporating these proposed changes to Proposal 2 will improve customer equity and ensure fair and equal access to the net metering program (DOER Reply Comments at 3-4).

5. Klavens Law Group

Klavens Law Group considers Proposal 2 critical, since many petitions filed before the Department involve multiple buildings on a single parcel of land (Klavens Law Group Reply Comments at 3). Klavens Law Group argues that granting Single Parcel Rule exceptions only to roof-mounted net metering facilities that do not allocate credits to other customers would be overly burdensome and frustrate the statutory intent of net metering (Klavens Law Group Reply Comments at 4). Klavens Law Group recommends that the Department expand the Proposal 2 exception to include qualifying net metering facilities,

regardless of the extent to which they plan to engage in virtual net metering (Klavens Law Group Reply Comments at 4).

6. Solar Coalition

The Solar Coalition echoes the concerns of the Attorney General and the Cities regarding multiple potential residential owners of small scale solar facilities seeking to install solar on a single parcel to serve their individual electricity load (Solar Coalition Reply Comments at 3-4 referencing Attorney General Reply Comments at 7; Cities Reply Comments at 2;). The Solar Coalition supports the Cities' request that the Department remove the aggregate limits in Proposal 2 and additionally recommends removal of the rooftop restriction in Proposal 2 (Solar Coalition Comments at 5 referencing Cities Reply Comments at 2). Due to their numerous changes to Proposal 2, the Solar Coalition suggests that Proposal 2 be modified to require that all facilities applying for the blanket exception fit the current definition of a Cap Exempt Facility and be located on the same parcel of land or within the same multi-tenant complex (Solar Coalition Reply Comments at 6). The Solar Coalition proposes that a per-parcel limit on aggregate capacity be raised to two MW, provided that the facilities are individually owned and separately metered (Solar Coalition Reply Comments at 6). Additionally, the Solar Coalition proposes that such facilities be able to virtually net meter, but only to other customers on the same parcel or in the same multi-tenant complex or project (Solar Coalition Reply Comments at 6). The Solar Coalition argues that each net metering facility should be treated as a separate facility for the purposes of determining net metering credit value (Solar Coalition Reply Comments at 6).

The Solar Coalition states that its proposal is consistent with Department precedent and would apply to a wider range of net metering customers (Solar Coalition Reply Comments at 6). The Solar Coalition asserts that allowing for virtual net metering within a parcel or multi-tenant complex is useful to help those who do not have suitable space on their building or lot (Solar Coalition Reply Comments at 7). The Solar Coalition explains that gaming could not occur because of the two-MW limit, the Cap Exempt Facility limitation for individual facility sizes, and the requirement that the different installations be owned by different customers (Solar Coalition Reply Comments at 7). The Solar Coalition maintains that tracking and enforcing the two-MW aggregate capacity limit will only require minor modifications to current information systems, and that it is exceedingly unlikely that any condominiums or low-income projects would approach this limit (Solar Coalition Reply Comments at 8).

F. Proposal 2 - Analysis and Findings

Stakeholders expressed interest in a blanket exception for rooftop Cap Exempt Facilities, and several included proposals to relax the criteria to qualify for the exception. For example, the Cities propose limits of 25 kW per net metering facility and one MW of aggregate capacity per parcel of land (Cities Reply Comments at 2). The Solar Coalition supports the Cities' request that the Department remove the aggregate limits and additionally recommends removal of the rooftop restriction (Solar Coalition Comments at 5).

The Department remains committed to safeguard against manipulation of the net metering system. The Distribution Companies and DOER affirm that the Rooftop Cap

Exempt Blanket Exception that the Department staff put forth adequately safeguards against gaming and manipulation of the net metering system (Distribution Companies Reply Comments at 8; DOER Reply Comments at 2). At this time, the Department is not persuaded by the stakeholders to relax the criteria to qualify for the Rooftop Cap Exempt Blanket Exception since it could introduce some manipulation of the net metering system.

The Department finds that creating a blanket exception based on Proposal 2 (“Rooftop Cap Exempt Blanket Exception”) will be useful to stakeholders and is sufficiently narrow to prevent regulatory uncertainty and manipulation of the regulatory system. Accordingly, the Department approves the Rooftop Cap Exempt Blanket Exception set forth as Proposal 2. To summarize, a host customer may qualify for the Rooftop Cap Exempt Blanket Exception and have more than one net metering facility per parcel of land only if all of the following conditions are met:

- a) the net metering facilities must be participating in the general program, not the SHP;
- b) all net metering facilities must be located on rooftops (either the same roof or different roofs) as defined in Section IV.H of this Order;
- c) the aggregate nameplate capacity rating of all of the net metering facilities on the parcel of land must be 10 kW AC or less on a single-phase circuit or 25 kW AC or less on a three-phase circuit;
- d) each net metering facility must be tied behind the electrical service of the structure on which it is located, per the definition of rooftop defined in Section IV.H of this Order;
- e) the host customer of each net metering facility demonstrate that it has submitted an application for interconnection to the Distribution Company and obtained confirmation that the Distribution Company deems the application for interconnection complete, as discussed further below;
- f) each net metering facility must have a separate meter;

- g) each net metering facility must comply with the National Electric Code; and
- h) the host customers must submit documentation to the Department as discussed below.

G. Definition of Rooftop Summary of Comments

1. Cities

The Cities recommend defining a rooftop as any structure covering a surface below that is capable of supporting a solar net metering facility (Cities Reply Comments at 4-5).

The Cities contend that this includes all buildings, whether or not tenant occupied, as well as garages, carports, and solar canopies constructed over parking or other facilities (Cities Reply Comments at 4-5).

2. Department of Energy Resources

The DOER maintains that a tenant-occupied building would be an appropriate way to define rooftop (DOER Reply Comments at 7). DOER also contends that solar canopies may be a unique case that the Department may want to consider including in its rooftop definition (DOER Reply Comments at 7-8).

3. Distribution Companies

The Distribution Companies contend that a rooftop structure should include and be served by a wholly separate electrical service from any other service on the parcel (Distribution Companies Reply Comments at 13). The Distribution Companies do not take a position regarding whether rooftop should mean buildings only or include structures other than buildings such as carports or canopies and whether the buildings must be tenant occupied or not (Distribution Companies Reply Comments at 14). To promote efficiency for customers and verifying entities, the Distribution Companies encourage acceptance of

DOER's definition of "building mounted solar generation unit," which is defined as "solar photovoltaic modules used for generation power installed on a building" in the Solar Massachusetts Renewable Target ("SMART") Program (Distribution Companies Reply Comments at 14). The Distribution Companies also note the definition of "solar tariff generation unit" in the SMART Program, which is defined as "solar photovoltaic modules used for generating power installed on top of a parking surface, pedestrian walkway, or canal in a manner that maintains the function of the area beneath the canopy" (Distribution Companies Reply Comments at 14).

H. Definition of Rooftop Analysis and Findings

The Department appreciates the Cities', DOER's, and the Distribution Companies' comments regarding the definition of a rooftop net metering facility. Since the Department may use the definition of rooftop in several blanket exceptions, for consistency reasons, the Department prefers to create a broad definition of rooftop and add additional criteria to qualify for each blanket exception as necessary. Therefore, "rooftop" shall mean an off-ground structure capable of supporting a net metering facility, including buildings, garages, carports, and canopies. A rooftop facility must be tied behind the electrical service of the structure on which it is located.

I. Implementation

To qualify for either the Multiple Technologies Blanket Exception or the Rooftop Cap Exempt Blanket Exception, the host customer(s) must electronically submit a complete application form ("Net Metering Blanket Exception Application Form") with all required

attachments to the Department. The Net Metering Blanket Exception Application Form is available on the Department's net metering homepage: <https://www.mass.gov/net-metering>.¹⁸ There is no filing fee associated with the Net Metering Blanket Exception Application Form. The Department will review the Net Metering Blanket Exception Application Form and issue a written determination electronically to the host customers.¹⁹ If the Department grants a Multiple Technologies Blanket Exception or Rooftop Cap Exempt Blanket Exception to the host customer, then the host customer must provide a copy of the Blanket Exception approval form to: (1) the applicable Distribution Company; and (2) the Administrator of the System of Assurance, if a cap allocation is required for the net metering facility.

In D.P.U. 11-11-A, the Department determined that applicants to the System of Assurance would need to demonstrate that they are at an advanced stage of project development to apply (D.P.U. 11-11-A at 24). In D.P.U. 11-11-C, the Department clarified that an executed ISA would meet such a standard (D.P.U. 11-11-C at 25). The Department notes that demonstration of such an advanced stage of development may seem burdensome

¹⁸ The Department may update the Net Metering Blanket Exception Application Form periodically and will continue to maintain the current form on its net metering homepage. Please see Appendix A to this Order for the link to the online Net Metering Blanket Exception Application Form.

¹⁹ The Department issued an Order delegating from the Commission to the Director of the Electric Power Division the authority to review and issue written determinations regarding Blanket Exceptions. Delegation Order, D.P.U. 18-54 (May 31, 2018). Department staff will work diligently to respond to each Net Metering Blanket Exception Application Form quickly following receipt of a complete form. The decision on the Net Metering Blanket Exception Application Form will be signed by the Director of the Electric Power Division and issued to the applicant host customer electronically.

and unnecessary for applicants submitting documentation to support the Multiple Technologies Blanket Exception or the Rooftop Cap Exempt Blanket Exception. However, the Department determines that it is appropriate to require that host customers seeking a blanket exception demonstrate that the distributed generation project is more than a mere concept. The Department finds that each host customer seeking a Multiple Technologies Blanket Exception or the Rooftop Cap Exempt Blanket Exception shall, at the very least, demonstrate that it has submitted an application for interconnection to the Distribution Company and obtained confirmation that the Distribution Company deems the interconnection application complete.²⁰

The Department will be the entity responsible for tracking the aggregate capacity of net metering facilities that qualify for blanket exceptions per parcel of land. The Department puts stakeholders on notice that if our implementation of either the Multiple Technologies Blanket Exception or Rooftop Cap Exempt Blanket Exception or potential future blanket

²⁰ In each Distribution Company's interconnection tariff, known as Standards For Interconnection Of Distributed Generation, there is a timeline for the Distribution Company to review the interconnection application for completeness. See Fitchburg Gas and Electric Light Company d/b/a Unitil - M.D.P.U. No. 269, at Tables 1-4, n.5; Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid - M.D.P.U. No. 1320, at Tables 1-4, n.5; NSTAR Electric Company d/b/a Eversource Energy - M.D.P.U. No. 55, at Tables 1-4, n.5.

exceptions is difficult for the Department to administer, then the Department may issue an Order directing the closure of net metering blanket exceptions applications.²¹

The Department also clarifies that the Department's approval of a blanket exception does not guarantee either the interconnection of or cap allocations for the net metering facilities qualifying for the blanket exception. Moreover, customers seeking to net meter in the Commonwealth have a responsibility to ensure that they are fully compliant with all of the Department's rules, regulations, Orders, and other directives governing net metering services. D.P.U. 15-74, at 16. Net metering applicants themselves, not the incumbent distribution companies in the service territories in which the applicants seek to interconnect, are responsible for familiarizing themselves with and ensuring that their proposed facilities comply with all applicable net metering rules and regulations. D.P.U. 15-74, at 16; BCC Solar Energy Advantage Inc., D.P.U. 14-149, at 10-11 (2015). Mistake and ignorance of the law are not sufficient reasons for a good cause exception to the net metering rules and regulations. Rayah Solar, D.P.U. 17-01, at 16 (January 16, 2018).

The Department puts net metering stakeholders on notice that submitting incorrect or incomplete information on a Net Metering Blanket Exception Application Form or failing to comply with applicable rules, regulations, and tariffs may result in a denial or revocation of a Blanket Exception, revocation of a cap allocation, or loss of a placement on the System of Assurance waiting list, and/or termination of net metering services. Through this Order and

²¹ In the event that the Department determines that it will no longer accept applications for blanket exceptions, it would not rescind any blanket exception that had been previously granted as of that decision date.

its regulatory oversight of net metering in the Commonwealth, the Department may direct the Administrator of the System of Assurance to revoke a cap allocation or a place on the waiting list if a host customer fails to comply with the applicable net metering rules and regulations. Similarly, the Department may direct the relevant Distribution Company to terminate net metering services if a host customer fails to comply with the applicable net metering rules and regulations. The host customer is responsible for knowing and complying with all applicable federal, state, and municipal rules and regulations, including zoning and building codes.

The Department further directs any interconnected facility with a cap allocation in the System of Assurance to take service under the relevant Distribution Company's net metering tariff. If a facility with a cap allocation fails to take service under the net metering tariff, the System of Assurance would not accurately reflect the available capacity remaining under each net metering cap. Therefore, any host customer with a facility that is interconnected, holding capacity in the System of Assurance, and failing to take service under the net metering tariff shall forfeit its cap allocation within 15 business days of the date of this Order (D.P.U. 11-11-D, App. A, §§ 8, 12).²² Host customers of an interconnected facility with a cap allocation that is taking service under the qualifying facility tariff and now seeks to take service under the net metering tariff following the Department's approval of the Multiple

²² If a distribution company becomes aware of an interconnected facility with a cap allocation that is not taking service under the net metering tariff, it must notify the Administrator so that the cap allocation can be revoked and the net metering caps can be modified accordingly.

Technologies Blanket Exception and the Rooftop Cap Exempt Blanket Exception must submit its Net Metering Blanket Exception Application Form, including all attachments, within 15 business days of the date of this Order to retain its cap allocation. Following receipt of a Net Metering Blanket Exception Application Form from a host customer with a facility that is interconnected and failing to take service under the net metering tariff, the Department may find that the application is incomplete or that one or all of the interconnected facilities are not eligible for either the Multiple Technologies Blanket Exception or Rooftop Cap Exempt Blanket Exception and direct the Administrator of the System of Assurance to revoke all cap allocations. Moreover, the Department directs the Distribution Companies to notify the Administrator if they become aware that one or more net metering facilities have a cap allocation, are interconnected to the electric distribution system, and fail to take service under the net metering tariff. The Administrator may then revoke the cap allocation(s) and ensure that the net metering caps accurately reflect facilities that are taking net metering services. A host customer may submit a request to the Administrator to resolve a dispute. System of Assurance § 10.

J. Conclusion

With this Order, the Department establishes two blanket exceptions: the Multiple Technologies Blanket Exception and the Rooftop Cap Exempt Blanket Exception. The Department expects these two blanket exceptions to benefit numerous stakeholders seeking to install distributed generation. The Department encourages stakeholders that may qualify for one of these net metering blanket exceptions to submit a Net Metering Blanket Exception

Application Form rather than submit a case-specific net metering petition to the Department pursuant to 220 CMR 18.09(7) because the blanket exception application process is anticipated to be less burdensome and time consuming for distributed generation host customers and the Department. If these two blanket exceptions do not meet distributed generation host customer stakeholders' needs, they retain the opportunity to petition the Department to seek case-by-case exceptions pursuant to 220 CMR 18.09(7).

The Department notes that this Order does not address the additional three straw proposals issued by Department staff (Hearing Officer Memorandum at 3-5 (June 9, 2017)). The Department requires more time to determine the feasibility and value of additional blanket exceptions that safeguard against gaming and manipulation of the net metering system and mitigate risk to the electric distribution system and non-participating ratepayers. The Department expects that processing applications for the Multiple Technologies Blanket Exceptions and Rooftop Cap Exempt Blanket Exceptions approved in this Order will help us determine whether creating additional blanket exceptions is appropriate and practical for the Department to process.

V. NET METERING CREDIT ALLOCATION PROCEDURES

A. Introduction

A host customer may designate oftakers who are customers of the same Distribution Company and located in the same ISO New England Inc. ("ISO-NE") load zone to receive such credits. G.L. c. 164, §§ 139 (a)(1), (b)(1). The Department recognizes that developers, host customers, oftakers, and the Distribution Companies are frustrated at times

when a Schedule Z form with numerous oftakers requires frequent communication between a Distribution Company and the host customer to ensure accuracy and proper implementation.²³

At the technical conference on May 3, 2017, attendees identified the following challenges relating to net metering credit allocation:

- (1) the Distribution Companies employ a manual process to input net metering credit transfers into their billing systems and cannot automate the net metering credit transfer process without seeking cost recovery to upgrade billing systems;
- (2) if a host customer's billing period is different from that of an oftaker, the net metering credit allocation may occur on different days;
- (3) a host customer may not have identified all the oftakers at the time it submits a Schedule Z, and oftakers change over time;
- (4) the Distribution Companies have a limited number of employees working full time on net metering credit allocation;

²³ Each Distribution Company has an interconnection tariff, known as Standards For Interconnection Of Distributed Generation. See Fitchburg Gas and Electric Light Company d/b/a Unitil - M.D.P.U. No. 269; Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid - M.D.P.U. No. 1320; NSTAR Electric Company d/b/a Eversource Energy - M.D.P.U. No. 55. Each interconnection tariff sets forth the process and requirements for an interconnecting customer to connect a generating facility to the Electric Distribution Company's electric distribution system, including discussion of technical and operating requirements, metering and billing options, and other matters. Schedule Z to the interconnection tariff, which is completed by or on behalf of a host customer, contains information regarding the host customer and the generating facility necessary to receive net metering services from the Distribution Company.

- (5) customer calls to the Distribution Companies typically go through the customer service department and not all customer service employees are knowledgeable about net metering credit allocation procedures;
- (6) host customers sometimes provide Schedule Z forms that do not precisely add up to 100 percent;
- (7) host customers sometimes provide Schedule Z forms with incorrect offtaker utility account numbers; and
- (8) if an interconnection time frame is long, the Schedule Z can change during that time requiring the Distribution Company to reinitiate its Schedule Z review process.

In D.P.U. 17-22, the Department sought comments on the challenges and potential solutions related to net metering credit allocation procedures. In the June 2017 Hearing Officer memorandum, the Department sought stakeholder input on how to: (1) reduce errors on the Schedule Z form; (2) decrease the amount of time it takes for net metering credits to appear on customer accounts; and (3) increase uniformity among how the Distribution Companies allocate credits (Hearing Officer Memorandum (June 9, 2017)). More specifically, the Department requested comments on: (1) requiring host customers to provide an Excel spreadsheet in addition to the Schedule Z form;²⁴ (2) limiting the precision of decimals on the Schedule Z form when allocating percentages of credits to an electric account; and (3) allowing a one-time refund payment to a host customer when there is a

²⁴ Microsoft Excel is one of the most-used electronic spreadsheets for organizing, storing, and manipulating data.

multi-month delay in processing Schedule Z forms and the result is a large accumulation of net metering credits. The Department observes that the reasons for net metering credit allocation delays are numerous. The Department is not reviewing the Distribution Companies' proposals for billing system upgrade cost recovery in this proceeding and is not directing a change to the Distribution Companies' manual Schedule Z processing at this time. Nonetheless, the Department discerns several solutions to improve the net metering credit allocation process as described below.

B. Excel Spreadsheet Summary of Comments

1. Ampion

Ampion supports the idea that host customers be required to provide an Excel spreadsheet to the Distribution Companies and that it replace the Schedule Z form entirely (Ampion Reply Comments at 3). Ampion recommends submitting the Excel spreadsheet to the Distribution Companies electronically through a secure portal (Ampion Reply Comments at 2).

2. BCC

BCC supports the submission of an Excel spreadsheet with a Schedule Z form to resolve some of the complications its offtakers have experienced in the credit allocation process (BCC Comments at 3-4). BCC proposes a transition towards an online or automated application, similar to the net metering cap allocation applications, to ensure proper and prompt allocation of net metering credits on a monthly basis (BCC Comments at 3).

3. CCSA

CCSA supports using an Excel spreadsheet as the primary and official submission tool for the customer-specific information within a Schedule Z form (CCSA Reply Comments at 1). CCSA notes that, in practice, the Distribution Companies already allow host customers to submit an Excel spreadsheet to the Distribution Companies because the current format of the Schedule Z form lends itself to errors (CCSA Comments at 4). CCSA proposes including a signature requirement on the spreadsheet as well as introducing a secure, automated upload system to avoid the delays and oversights common to the existing submission process (CCSA Reply Comments at 1-2).

4. Distribution Companies

The Distribution Companies support the use of an Excel spreadsheet to identify the allocation of net metering credits (Distribution Companies Reply Comments at 18). The Distribution Companies note that some developers already provide Excel spreadsheets to convey account numbers and requested net metering credit allocations (Distribution Companies Reply Comments at 18). The Distribution Companies maintain that these spreadsheets are particularly helpful when credits are allocated to a large number of accounts, as they reduce the likelihood of errors resulting from manual entry of data (Distribution Companies Reply Comments at 18). The Distribution Companies request an opportunity to propose an optimal Excel spreadsheet incorporating the Department's input after the resolution of relevant issues in this docket (Distribution Companies Reply Comments at 22).

5. Wedgwood Properties

Wedgwood Properties does not support a requirement that all host customers submit an Excel spreadsheet with a Schedule Z form because not all host customers have the ability to submit the information in that format (Wedgwood Properties at 3).

C. Excel Spreadsheet Analysis and Findings

Most commenters support submitting an Excel spreadsheet to identify the allocation of net metering credits (Ampion Reply Comments at 3; BCC Comments at 3-4; CCSA Reply Comments at 1; Distribution Companies Reply Comments at 18). The Department agrees with stakeholders that submitting an Excel spreadsheet with the Schedule Z form should help minimize errors, especially when there are many net metering credit recipients listed on the Schedule Z form.²⁵ The Department also finds valid Wedgwood Properties' concern that not all host customers have the ability to submit an Excel spreadsheet with a Schedule Z form valid. Therefore, the Department makes the following directives:

1. host customers submitting Schedule Z forms to the Distribution Companies after July 31, 2018, must include an electronic Excel spreadsheet that details the net metering credit transfers in addition to the paper Schedule Z document; and
2. the Distribution Companies have the discretion to allow an exception to this rule for customers unable to use or without access to Excel.

²⁵ Taking advantage of beneficial services, such as net metering services, can include a reasonable requirement for the economic and efficient provision of the services such as the submission of designated forms in specified formats.

The Distribution Companies requested the opportunity to propose an optimal Excel spreadsheet in the event that the Department implements an Excel spreadsheet requirement. Therefore, the Department directs the Distribution Companies to provide an informational compliance filing within 30 calendar days of this Order with a final Excel spreadsheet template to identify the allocation of net metering credits to be used by all the Distribution Companies, and to post that spreadsheet to each Distribution Company's website. Moreover, the Department notes that the Excel spreadsheet will contain customer account numbers and potentially additional sensitive data, which is considered private information that must be protected and treated securely. The Department directs the Distribution Companies to determine best practices to protect private and sensitive customer information when exchanging electronic documents relating to the provision of net metering services and to post those best practices to each Distribution Company's website.

D. Limit on Decimals for Credit Allocation Summary of Comments

1. Ampion

Ampion argues that the Department should refer to the distributed generation standards from New York when considering whether to round allocations to two or three decimal places (Ampion Reply Comments at 3). Ampion reports that the investor-owned utilities in New York have mandated that distributed generation allocation submissions be rounded to three decimal places (Ampion Reply Comments at 3). Ampion advocates that the Department require a minimum of five decimal places of accuracy, or, in the alternative,

consider standardizing net metering allocations at three decimal places rather than two (Ampion Reply Comments at 3).

2. CCSA

CCSA does not support a limit on the decimal places when assigning a percentage for credit allocation (CCSA Reply Comments at 2). If precision must be limited, CCSA recommends a requirement of at least two decimal places, prefers three decimal places, and claims that to significantly minimize rounding issues the limit should be placed at five decimal places (CCSA Reply Comments at 2-3). CCSA asserts that decimal limits create an unnecessary hurdle for host customers to adhere to program requirements and inhibit accurate allocation of small percentages of net metering credits (CCSA Reply Comments at 3).

3. Distribution Companies

The Distribution Companies support creating a limit on the number of decimal places for credit allocations because of the administrative burden the net metering credit allocation process places on the Distribution Companies (Distribution Companies Comments at 21; Distribution Companies Reply Comments at 18). The Distribution Companies claim that increased participation in net metering in the recent years has increased the number of net metering credit oftaker accounts (Distribution Companies Comments at 22). National Grid states that the average number of oftaker designees on a Schedule Z form is 88 designee accounts and that the largest number of designees for a single account is 167 designees (Distribution Companies Comments at 22). National Grid maintains that each transfer of net metering credits takes its personnel about ten minutes to complete, and that many Schedule Z

form transfers have low allocation percentages such as 0.19 percent (Distribution Companies Comments at 22-23). Eversource states that it has 1,730 accounts that allocate net metering credits with the largest number allocating to over 900 designees, each of whom receive an allocation of 0.04 percent (Distribution Companies Comments at 23). Eversource maintains that each net metering allocation that is not automated takes ten minutes to process (Distribution Companies Comments at 24). The Distribution Companies also encourage the Department to clarify that existing Schedule Z forms on file with the Distribution Companies remain in effect until the host customer submits a revised version (Distribution Companies Reply Comments at 18-19).

4. Wedgwood Properties

Wedgwood Properties argues that the current credit allocation process is antiquated and it encourages the Distribution Companies to update their methods (Wedgwood Properties Reply Comments at 3). Wedgwood Properties asserts that the number of decimals included in the credit allocation percentages should be irrelevant because the Distribution Companies should streamline the process by automating credit calculation and application (Wedgwood Properties Reply Comments at 3).

E. Limit on Decimals for Credit Allocation Analysis and Findings

There is currently no limit on the number of decimal places for credit allocations. The Department is aware of the administrative burdens that the Distribution Companies experience, generally through its response to host customer and consumer complaints to the Department's Consumer Division. The Department finds that establishing a limit on the

number of decimal places across all Distribution Companies will ease the administrative burden that the Distribution Companies experience and will standardize the allocation process.

Ampion recommends a limit of at least three decimals and CCSA supports a limit of at least two decimals (Ampion Reply Comments at 3; CCSA Reply Comments at 2-3). The Department notes that implementing a two-decimal place limit would allow a host customer to assign 10,000 designee accounts on the Schedule Z form. If the Department limited the decimal places to three decimals, the host customer would be able to assign 100,000 designee accounts on the Schedule Z form. The Distribution Companies note that the net metering facility with the largest number of designee accounts is 900 designee accounts, where each entity has an allocation of 0.04 percent (Distribution Companies Comments at 23). The Department finds that limiting the allocation percentage number to two decimals on Schedule Z forms is the correct balance of helping to ease some administrative burdens while still allowing host customers the flexibility to allocate net metering credits in a useful manner. The Department clarifies that the two-decimal place limit shall be implemented prospectively for newly submitted Schedule Z forms as of July 31, 2018, and should not impact Schedule Z forms that were already processed. An existing Schedule Z form on file with a Distribution Company remains in effect until the Host Customer submits a revised Schedule Z.

F. Refund Process Summary of Comments

1. Ampion

Ampion is hesitant to have the Distribution Companies provide one-time refund payments (Ampion Reply Comments at 3). Ampion points out that many delays and inaccuracies associated with net metering compensation are addressed only when stakeholders contact the Distribution Companies (Ampion Reply Comments at 3). Because of these delays, Ampion argues that the Distribution Companies should focus on creating automated billing and crediting systems for net metering rather than one-time refund payments (Ampion Reply Comments at 4).

2. CCSA

CCSA is in favor of having the Distribution Companies provide a one-time refund payment to host customers (CCSA Reply Comments at 4). CCSA recommends a refund process with specific criteria and definite timelines to ensure resolution of the matter, and that “multi-month delay” be defined as over two months (CCSA Reply Comments at 4). A refund payment will eliminate credit buildup that occurs exclusively by distribution company delay (CCSA Reply Comments at 4).

3. Distribution Companies

The Distribution Companies support a one-time refund payment and claim that it is reasonable way to settle outstanding balances of net metering credits on customer accounts (Distribution Companies Reply Comments at 19). The Distribution Companies note, however, that they only support such payments if they are provided at their discretion

(Distribution Companies Reply Comments at 19). The Distribution Companies also assert that these payments would not purely be a purchase of net metering credits and, therefore, would not contravene G.L. c. 164, § 139(b)(1).

4. Wedgwood Properties

Wedgwood Properties favor refund payments whenever necessary (Wedgwood Properties Reply Comments at 3). Wedgwood Properties maintains that incorrect readings and mathematical errors frequently impact the accuracy of credit allocation (Wedgwood Properties Reply Comments at 3).

G. Refund Process Analysis and Findings

Most commenters agree that a one-time refund payment is permissible and appropriate when there is a multi-month delay in processing Schedule Z forms resulting in a large accumulation of net metering credits on a customer's account (CCSA Reply Comments at 4; Distribution Companies Reply Comments at 19; Wedgwood Properties Reply Comments at 3). The Department takes this opportunity to define delay. The Department finds that a net metering credit allocation delay occurs when it takes a Distribution Company more than three complete billing periods after a net metering facility is interconnected to add net metering credits to a customer's bill following receipt of a complete Schedule Z.²⁶ The Department expects host customers to correctly fill out their Schedule Z form and that filing

²⁶ Each Distribution Company's Schedule Z form permits a customer to allocate a percent of net metering credits to oftakers. A Schedule Z form is considered complete where it correctly totals to 100 percent and does not include billing account number or customer name errors.

the Excel spreadsheet is likely to reduce errors to the Schedule Z form. The Department acknowledges that there have been some situations where net metering credits have accumulated on customer accounts for reasons that are outside of the customer's control.

There is no legal prohibition on a Distribution Company providing a one-time refund payment to a host customer and offtakers to compensate for net metering billing challenges. The statutory requirement that Distribution Companies may cash out only Class III net metering facilities applies to the routine purchase of net metering credits from the facility in lieu of allocating credits from the facility. G.L. c. 164, § 139(b)(1). Fitchburg Gas and Electric Light Company d/b/a Unitil - M.D.P.U. No. 309, § 1.07(5); Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid - M.D.P.U. No. 1331, § 1.07(5); NSTAR Electric Company d/b/a Eversource Energy - M.D.P.U. No. 68A, § 1.07(5). Each Distribution Company is responsible for accurately allocating net metering credits consistent with Schedule Z. M.D.P.U. No. 309, § 1.07(5); M.D.P.U. No. 1331, § 1.07(5); M.D.P.U. No. 68A, § 1.07(5). When there is a delay in processing Schedule Z forms and the result is a large accumulation of net metering credits, a host customer may be eligible to receive a one-time refund payment as further set forth below. The Department finds that a one-time refund payment is not a purchase of net metering credits and therefore does not contravene G.L. c. 164, § 139(b)(1).

The Department further finds that allowing the Distribution Companies to provide customers with a one-time refund payment under the following circumstances will help address net metering credit allocation delay issues following a Distribution Company's receipt

of a complete Schedule Z: (1) the accumulation of credits on the customer's account shall be for reasons outside of the customer's control;²⁷ (2) the net metering credits must have accumulated on the account for at least three complete billing periods following the date that a net metering facility has received an Authorization to Interconnect;²⁸ and (3) the host customer agrees that a one-time refund payment is appropriate to remedy the multi-month net metering credit allocation delay. If all three circumstances have been met, the Department directs the Distribution Companies to issue a one-time refund payment.²⁹ If a host customer is dissatisfied with a Distribution Company's response regarding a one-time refund payment, that host customer may contact the Department's Consumer Division to file a complaint. Upon receipt of a net metering credit allocation complaint, the Department's Consumer

²⁷ For example, entering an incorrect billing account number or not having the total percentage of net metering credit allocations add up to 100 percent on the Schedule Z form are not valid reasons for a customer to receive a one-time refund. Host customers should ensure the accuracy of all information submitted to their Distribution Company.

²⁸ If a host customer's billing period begins on the first of every month and the interconnecting customer receives Authorization to Interconnect the net metering facility on April 10, the host customer would be eligible for the one-time refund beginning August 1, if the net metering credits are not allocated to offtaker accounts by July 31 (three complete billing periods are the months of May, June, and July). See Fitchburg Gas and Electric Light Company d/b/a Unitil - M.D.P.U. No. 269, §§ 1.2, 2.0; Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid - M.D.P.U. No. 1320, §§ 1.2, 2.0; NSTAR Electric Company d/b/a Eversource Energy - M.D.P.U. No. 55, §§ 1.2, 2.0.

²⁹ The Distribution Companies and host customer should work together to determine whether the one-time refund payment is provided directly to a host customer or divided into separate payments to a host customer and the offtakers. If three complete billing periods have not expired, no refund is required.

Division and net metering staff will collaborate to intervene and provide direction to the Distribution Companies and affected customers. Additionally, the Department urges each Distribution Company to apply net metering credits to customer accounts so that they appear on customer bills within three complete billing periods from the date that the Distribution Company deems a Schedule Z complete. The Department directs the Distribution Companies to provide an informational compliance filing by October 15, 2018 regarding: the number of one-time refund payments issued as of October 1, 2018; the process by which each Distribution Company determines that a Schedule Z is complete; and any recommendations to improve the net metering credit allocation process.

VI. STREAMLINING

A. Streamlining Summary of Comments

1. Mr. Keleti

Mr. Keleti claims that submitting a copy of the relevant documents from the relevant Registry of Deeds is an undue burden for properties, especially those that have not been recently deeded such as churches and non-profit organizations (Mr. Keleti Comments at 2). Mr. Keleti argues that, in most cases, it would seem that an image of the parcel using the Massachusetts geographic information system (“Mass GIS”) should be sufficient (Mr. Keleti Comments at 2). Mr. Keleti also maintains that requiring an appearance of counsel if the petition is filed by an attorney is an undue burden for installations involving a non-profit organization, as he claims that formation as a limited liability company (“LLC”) is required in order to capture the commercial renewable energy federal tax credits (Mr. Keleti

Comments at 2). Mr. Keleti requests that the Department clarify whether an attorney is required for an LLC to file a petition and, if so, why the appearance of counsel is required, rather than only recommended (Mr. Keleti Comments at 2). Lastly, Mr. Keleti maintains that requiring a certificate of service if the petition is filed by an attorney is an unnecessary expense (Mr. Keleti Comments at 2).

2. Distribution Companies

The Distribution Companies maintain that establishing minimum petition requirements is necessary and appropriate (Distribution Companies Comments at 20). The Distribution Companies assert that more prescriptive and clear filing requirements would contribute to easier and consistent review of petitions (Distribution Companies Comments at 20).

B. Streamlining Analysis and Findings

The Department has been reviewing petitions for exceptions to the net metering rules and regulations for several years. In 2017, the Department issued three Notices of Deficient Petitions indicating that the initial petition lacked clarity and specificity; none have been issued in 2018. The Department acknowledges the comments questioning the necessity of certain net metering petition requirements. Nevertheless, the Department maintains that the required information is necessary for it to ensure an efficient and orderly disposition of petitions for exceptions to the net metering rules and regulations. The Department clarifies the information required to render a decision regarding an individual petition seeking an exception to the Single Parcel or Subdivision Rules on a case-by-case basis. All petitions seeking an exception to the Single Parcel or Subdivision Rules on a case-by-case basis as of

the date of this Order shall include a copy of the petition checklist form, which is available on the Department's website at <https://www.mass.gov/how-to/file-a-petition-for-a-net-metering-exception>.³⁰ The Department may revise the petition checklist form, as necessary, so applicants should monitor the Department's website to ensure that they utilize the current form when filing their petition with the Department.

Regarding Mr. Keleti's comments, the Department considers a deed on file with the Registry of Deeds to be primary evidence of ownership interest and parcel description for purposes of ruling on a request for exception to the Single Parcel or Subdivision Rules.³¹ As for attorney representation, for administrative proceedings before the Department, the Department follows the rule of the Supreme Judicial Court that a corporation must be represented in judicial proceedings by an attorney licensed to practice law in the Commonwealth. Western Massachusetts Electric Company, D.T.E. 01-36/02-20, at 7-8 (2003); Varney Enterprises, Inc. v. WMF, Inc., 402 Mass. 79, 79 (1988); LAS Collection Management v. Juana Pagan, 447 Mass. 847, 850-851 (2006). This rule also applies to LLCs.³² Musi v. Gloucester Boat Building Co., 2013 Mass. App. Div. 18, 22 (2013). As for the two forms referenced by Mr. Keleti (appearance of counsel and certificate of service),

³⁰ The petition checklist that applicants must file with their petition is located on the Department's website and may be revised periodically, as necessary. Please see Appendix A to this Order for the link to the online form.

³¹ The Department expects that organizations would consider a deed to be an important business record as evidence of property ownership or interest.

³² The Department takes no position regarding Mr. Keleti's claim that a non-profit organization must be organized as an LLC to claim tax credits.

samples of these forms can be found on the Department's webpage at

<https://www.mass.gov/service-details/dpu-sample-forms-and-motions>. The Department does not consider it burdensome for a party to submit these forms in the course of a proceeding.

VII. CONCLUSION

With this Order, the Department announces two blanket exceptions to the Single Parcel Rule: the Multiple Technologies Blanket Exception and the Rooftop Cap Exempt Net Blanket Exception. The Department also creates and modifies certain forms relating to net metering in an effort to clearly communicate information needed to efficiently review net metering documents. The Department may revise such forms to further improve its review of net metering documents.

VIII. ORDER

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

ORDERED: That host customers with net metering facilities that meet the criteria herein to seek a Multiple Technologies Blanket Exception or a Rooftop Cap Exempt Blanket Exception shall submit a Net Metering Blanket Exception Application Form electronically to the Department for review and approval; and it is

FURTHER ORDERED: That host customers submitting Schedule Z forms as of July 31, 2018 shall include a spreadsheet to the applicable distribution company; and it is

FURTHER ORDERED: That Fitchburg Gas and Electric Light Company d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, and NSTAR Electric Company d/b/a Eversource Energy shall submit a final

APPENDIX A

To view the Net Metering Blanket Exception Application Form, please visit the Department's webpage at: <https://www.mass.gov/net-metering>.

To view the Net Metering Petition Checklist for streamlining purposes, please visit the Department's webpage at: <https://www.mass.gov/how-to/file-a-petition-for-a-net-metering-exception>.