



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

MEMORANDUM

TO: Service List, D.P.U. 17-05

FROM: Marc J. Tassone, Hearing Officer
Staci Rubin, Hearing Officer

RE: (1) Revised Net Metering Tariff, Proposed M.D.P.U. No. 68D; and
(2) Opening of New Proceeding Relative to Eversource's Proposed Revisions to its Net Metering Tariff

DATE: August 29, 2018

CC: Mark D. Marini, Secretary

I. INTRODUCTION

On January 17, 2017, NSTAR Electric Company and Western Massachusetts Electric Company, each doing business as Eversource Energy (collectively referred to as "Eversource" or "Company") filed a petition with the Department of Public Utilities ("Department") for an increase in base distribution rates for electric customers.¹ As part of its petition, Eversource sought approval to implement a monthly minimum reliability contribution ("MMRC") for new residential and commercial and industrial ("C&I") net metering host customers with an in-service date on or after January 1, 2019.

¹ In D.P.U. 17-05, at 28-55, the Department approved the corporate consolidation of Western Massachusetts Electric Company with and into NSTAR Electric Company pursuant to G.L. c. 164, § 96. The legal name of Eversource's electric distribution company in Massachusetts is now NSTAR Electric Company; it continues to do business as Eversource Energy.

On January 5, 2018, the Department issued a final Order establishing Eversource's rate structure, approving an MMRC modified so that it applies to net metering host customer accounts interconnected on or after December 31, 2018, and directing the Company to file an MMRC informational compliance filing by June 1, 2018. NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 17-05-B, at 153 (January 5, 2018). In D.P.U. 17-05-B, at 128-156, the Department approved, with certain modifications, Eversource's proposal to implement an MMRC rate for residential and C&I customers that are enrolled in Eversource's net metering tariff and directed Eversource to file an MMRC education plan by June 1, 2018. On June 8, 2018, after the Department approved Eversource's motion for additional time, Eversource filed its MMRC education and outreach plan ("E&O Plan"). On June 22, 2018, the Department issued a request for comments on the E&O Plan and issued five questions seeking information about the E&O Plan. D.P.U. 17-05, Hearing Officer Memorandum Requesting Public Comments at 2-3 (June 22, 2018)). The Department received comments from the Attorney General of the Commonwealth of Massachusetts, Cape Light Compact, Department of Energy Resources, and Sunrun, Inc. ("Sunrun") and the Energy Freedom Coalition of America, LLC ("EFC"). On July 13, 2018, Eversource responded to the Department's questions and proposed revisions to its currently effective net metering tariff, M.D.P.U. No. 68C, to incorporate MMRC modifications. In this regard, the Company submitted for Department approval, a revised net metering tariff, proposed M.D.P.U. No. 68D, for effect August 1, 2018.

On July 30, 2018, prior to the Department's acting on Eversource's revised net metering tariff, proposed M.D.P.U. 68D, a legislative committee filed a compromise bill, H.4857, with the House of Representatives clerk's office that included language that would amend the MMRC law. The Legislature approved H.4857 the following day, July 31, 2018. On that same day, in response to H.4857, Eversource re-filed the revised net metering tariff, proposed M.D.P.U. No. 68D, to change the proposed effective date from August 1, 2018 to September 1, 2018.² Eversource offered no additional changes to this proposed tariff to address H.4857. Rather, Eversource noted in its July 31, 2018, cover letter to the Department that if H.4857 was enacted, the Company sought 30 days to file further revisions to the tariff, as necessary (Eversource Cover Letter at 1, n.1).

² Because the Department never acted on the revised net metering tariff, proposed M.D.P.U. No. 68D, for effect August 1, 2018, and Eversource re-filed the same tariff for effect September 1, 2018, the Department considers the proposed tariff filed for effect August 1, 2018, to have been withdrawn and superseded by the proposed tariff filed for effect September 1, 2018.

On August 9, 2018, Governor Baker signed into law An Act to Advance Clean Energy (“Act”), which codified H.4857 and amended the statutory requirements for the Department to consider in reviewing a proposed MMRC. The Act will become effective on November 9, 2018. St. 2018, c. 227, §§ 15, 16, 17, 24.³

II. REVISED NET METERING TARIFF, PROPOSED M.D.P.U. NO. 68D

In the revised net metering tariff, proposed M.D.P.U. No. 68D, for effect September 1, 2018, Eversource proposes revisions to Section 1.05 by adding text stating that rates applicable under the MMRC provision will only be applied to bills of eligible net metering host customers when: (1) advanced metering equipment or equivalent technology has been installed; and (2) the host customer will be provided with the date and time of billed demand for the billing period (see Eversource Comments, Exhibit 4, at 10). In reviewing Eversource’s proposed net metering tariff, we are concerned that proposed revisions constitute a significant departure from Eversource’s MMRC as approved. See D.P.U. 17-05-B at 153-154. For example, there is insufficient evidence on the record in D.P.U. 17-05, which now is closed, regarding costs of advanced metering equipment or equivalent technology or information about which entity will be responsible for paying those costs. Moreover, the Department is required to ensure that the provisions of the revised net metering tariff comply with the Act. As such, to adequately evaluate Eversource’s revised net metering tariff, proposed M.D.P.U. No. 68D, the Department will open a new docket as described below.

However, in the meantime, Eversource’s currently effective net metering tariff, M.D.P.U. No. 68C, requires modification to comply with the Act. St. 2018, c. 227, § 24. Accordingly, in an Order issued today, the Department suspended the effective date of the revised net metering tariff, proposed M.D.P.U. No. 68D, through November 30, 2018. NSTAR Electric Company, d/b/a Eversource Energy, D.P.U. 17-05-G (August 29, 2018). The Department directs Eversource to again re-file the tariff, proposed M.D.P.U. No. 68D, and any other tariffs that Eversource deems necessary, to either remove all references to the MMRC or include language that the Company will not charge customers an MMRC until

³ On August 20, 2018, Vote Solar and Sunrun and EFCA submitted a joint letter in which they contend that the MMRC approved by the Department in D.P.U. 17-05-B does not meet the requirements of the Act (Joint Letter at 2). Further, Vote Solar and Sunrun and EFCA assert that before the Department may approve a proposed revised MMRC, it must, at a minimum, hold a hearing and solicit comment on the proposed revised MMRC (Joint Letter at 2).

after the Department has approved an MMRC that fully complies with the Act. Eversource shall refile the proposed tariff and accompanying documents in docket D.P.U. 17-05.⁴

III. NEW PROCEEDING RELATIVE TO EVERSOURCE'S PROPOSED NET METERING TARIFF

As noted above, certain provisions of Eversource's revised net metering tariff, proposed M.D.P.U. No. 68D, for effect September 1, 2018, constitute a significant departure from Eversource's MMRC as approved. See D.P.U. 17-05-B at 153-154. Further, the Act amended the statutory requirements for the Department to consider in reviewing a proposed MMRC. Accordingly, the Department will investigate Eversource's proposed changes to its MMRC and affected tariff(s) in a new proceeding. This matter will be docketed as D.P.U. 18-72. Eversource shall file a petition and its proposed tariff(s)⁵ in D.P.U. 18-72. In preparing the petition, the Department strongly encourages Eversource to obtain feedback from residential customers on the customer education tools during the pilot phase.⁶ Further, in its petition, Eversource shall include, at a minimum, the following information:

1. the metering equipment or equivalent technology type that would be installed;
2. the expected timeline detailing when this metering equipment would be installed;
3. preliminary metering and technology cost estimates;
4. the entity responsible for paying these metering costs;

⁴ The Department expects Eversource to make this filing as soon as practicable. Further, the Department expects that with the directed revisions, the revised net metering tariff, proposed M.D.P.U. No. 68D, and any other accompanying tariffs, will be suitable for stamp approval.

⁵ These tariffs would include any changes to what the Department expects to approve as M.D.P.U. No. 68D, as discussed in Section II and n.4 above.

⁶ For example, Eversource could invite a sample of representative residential ratepayers or invite their advocates to participate in subsequent working group meetings as well as survey residential customers to receive constructive feedback regarding the proposal.

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5. communication or support systems cost estimates associated with the proposed metering equipment or equivalent technology;
 6. the mechanism through which these costs would be recovered, if Eversource seeks to recover these costs from ratepayers;
 7. the expected timeline detailing when Eversource expects to issue its request for proposals to technology vendors for designing the interactive web tool;
 8. all necessary information demonstrating that the MMRC complies with St. 2018, c. 227, §§ 15-17, 24; and
 9. updates to the E&O Plan to comply with the Act and based on feedback from stakeholders.

The Department intends to seek comment on the petition and to allow stakeholders the opportunity to seek appropriate participation in the proceeding. Thereafter, the Department expects to issue a procedural schedule to allow for sufficient investigation of the petition.

For further information regarding this Memorandum, please contact Marc Tassone or Staci Rubin, Hearing Officers, Department of Public Utilities, at (617) 305-3500.