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History of Net Metering in Massachusetts

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Mass. net metering regulations require investor owned utilities (IOU) to credit the accounts of customers whenever a customer's eligible renewable energy facility generates more electricity than is being consumed.

In 1982, the Mass. Department of Public Utilities (DPU) adopted net metering for renewable energy facilities with a generating capacity of up to 30kw. In 1997, the maximum system generation capacity was raised to 60kW and customers were able to carry over any net excess generation credits to their following month's bill at a rate equal to the "average monthly market price of generation." In July 2008, the DPU expanded net metering for eligible renewable energy systems with a generation capacity of up to 2MWs. This amendment also set the IOU net metering cap at 1% of the IOU's historic peak load. In December 2009, the DPU amended the net metering regulations giving customers an option to either realize the value of net metering credits or allocate the credit to other customers within the same load zone. This amendment also increased the value of a net metering credit from the wholesale rate to an amount closer to a retail rate, as determined by the class of net metering facility and customer type.

In December 2010, governor Patrick signed legislation introducing a new IOU net metering cap of 2% for municipal and governmental facilities. The aggregate net metering capacity of non-municipal or governmental facilities remains at 1%.

Today, stakeholders argue that the current regulations provide little assurance of eligibility for net metering facilities even after an interconnection application has been filed. They contend that the eligibility of the facility is assured only after the application has been accepted by the IOU, which could take months. However, in connection with governmental net metering facilities only, the DPU anticipates new regulations will be in place by mid 2011 to help mitigate this issue.

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