

SENATE No. 2395

The Commonwealth of Massachusetts

The committee of conference, to whom was referred the matters of difference between the two branches with reference to the House amendment to the Senate Bill relative to competitively priced electricity in the Commonwealth (Senate, No. 2214, amended) (amended by the House by striking out all after the enacting clause and inserting in place thereof the text of House document numbered 4225), reports, a Bill entitled “ An Act relative to competitively priced electricity in the Commonwealth ” (Senate, No. 2395).

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SENATE No. 2395

Senate, July 30, 2012 – The committee of conference, to whom was referred the matters of difference between the two branches with reference to the House amendment to the Senate Bill relative to competitively priced electricity in the Commonwealth (Senate, No. 2214, amended) (amended by the House by striking out all after the enacting clause and inserting in place thereof the text of House document numbered 4225), reports, a Bill entitled “An Act relative to competitively priced electricity in the Commonwealth” (Senate, No. 2395).

The Commonwealth of Massachusetts

—————
In the Year Two Thousand Twelve
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An Act relative to competitively priced electricity in the Commonwealth.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Subsection (a) of section 11E of chapter 12 of the General Laws, as
2 appearing in the 2010 Official Edition, is hereby amended by inserting after the words “electric
3 company”, in line 6, the following words:- , water company.

4 SECTION 2. Said subsection (a) of said section 11E of said chapter 12, as so appearing,
5 is hereby further amended by inserting after the word “electric”, in line 20, the following word:- ,
6 water.

7 SECTION 3. Section 3 of chapter 24A of the General Laws, as so appearing, is hereby
8 amended by inserting after the word “electric”, in lines 2 and 5, each time it appears, the
9 following word:- , water.

10 SECTION 4. Section 18 of chapter 25 of the General Laws, as so appearing, is hereby
11 amended by striking out the fourth paragraph.

12 SECTION 5. Section 19 of said chapter 25, as so appearing, is hereby amended by adding
13 the following subsection:-

14 (d) There shall be a voluntary accelerated rebate pilot program which shall be made
15 available to the 5 largest commercial or industrial electric users and 5 largest commercial or
16 industrial gas users in each utility service territory. Multiple locations of the same customer shall
17 not be aggregated for purposes of meeting this threshold. Eligible customers electing to
18 participate in the accelerated pilot program shall notify the appropriate electric distribution
19 company, gas company or municipal aggregator, hereafter known as the program administrator,
20 on or before January 31 of each calendar year during the pilot program. Customers electing to
21 participate shall be eligible for financial support of up to 100 per cent of the cost for qualified
22 energy efficiency measures, as determined by the program administrator, using criteria included
23 in the efficiency investment plans established by section 21. Total rebate levels for participating
24 customers in any year of the pilot program shall not exceed 90 per cent of the amount the
25 customer was charged for energy efficiency programs during calendar year 2012. A participating
26 customer shall not aggregate a rebate from any year in which the customer does not participate in
27 the pilot program. Qualified energy efficiency measures shall include cost-effective energy
28 efficiency program measures approved by the applicable program administrator recognized by
29 the department using criteria under said section 21; provided, however, that up to 15 per cent of
30 any accelerated rebate may be used for other improvements that support energy efficiency
31 improvements made under a program approved by the department or emission reductions,
32 including, but not limited to, infrastructure improvements, metering, circuit level technology and
33 software. Customers opting to receive an accelerated rebate shall be ineligible for other energy
34 efficiency program rebates under said section 21 during the period in which they participate in

35 the pilot program. All qualified installations shall be substantially completed by the end of the
36 program, and shall be subject to verification and review by the department. Electric and gas
37 distribution companies shall recalibrate their energy efficiency goals, as reviewed by the energy
38 efficiency advisory council under subsection (c) of said section 21, to reflect the rebates provided
39 to any customer electing to participate in this pilot program. Nothing in this subsection shall be
40 construed to cause a decrease in the funding of the low-income residential demand-side
41 management and education programs funded under this section.

42 SECTION 6. Subsection (d) of said section 19 of said chapter 25 is hereby repealed.

43 SECTION 7. Section 21 of said chapter 25, as appearing in the 2010 Official Edition, is
44 hereby amended by striking out, in lines 114 and 115 and line 118, the words “Massachusetts
45 Technology Park Corporation” and inserting in place thereof, in each instance, the following
46 words:- Massachusetts clean energy technology center.

47 SECTION 8. Section 22 of said chapter 25, as so appearing, is hereby amended by
48 striking out, in line 2, the figure “11” and inserting in place thereof the following figure:- 15.

49 SECTION 9. Said section 22 of said chapter 25, as so appearing, is hereby further
50 amended by striking out, in line 9, the words “and (11) the department of energy resources” and
51 inserting in place thereof the following words:- (11) the Massachusetts Non-profit Network, (12)
52 a city or town in the commonwealth, (13) the Massachusetts association of realtors, (14) a
53 business employing fewer than 10 persons located in the commonwealth that performs energy
54 efficiency services and (15) the department of energy resources.

55 SECTION 10. Said section 22 of said chapter 25, as so appearing, is further amended by
56 inserting after the word “industry”, in line 19, the following words:- , 1 from ISO New England.

57 SECTION 11. Said section 22 of said chapter 25, as so appearing, is hereby further
58 amended by adding the following subsection:-

59 (e) A business employing fewer than 10 persons located in the commonwealth that
60 performs energy efficiency services may only be appointed to the energy efficiency advisory
61 council, under subsection (a), if the business is elected by a majority of businesses performing
62 energy efficiency services in the Mass Save program.

63 SECTION 12. Section 6 of chapter 25A of the General Laws, as so appearing, is hereby
64 amended by striking out, in line 37, the word “small”.

65 SECTION 13. Section 11F of said chapter 25A, as so appearing, is hereby amended by
66 striking out, in line 8, the word “new” and inserting in place thereof the following words:- Class
67 I.

68 SECTION 14. Said section 11F of said chapter 25A, as so appearing, is hereby further
69 amended by striking out, in line 35, the words “clauses (6) and (7)” and inserting in place
70 thereof the following words:- clause (6).

71 SECTION 15. Subsection (c) of said section 11F of said chapter 25A, as so appearing, is
72 hereby amended by striking out, in lines 63 and 65, the figure “25” and inserting in the place
73 thereof, in each instance, the following figure:- 30.

74 SECTION 16. Subsection (d) of said section 11F of said chapter 25A, as so appearing, is
75 hereby amended by striking out, in line 93, the figure “5” and inserting in the place thereof, the
76 following figure:- 7.5.

77 SECTION 17. Section 1A of chapter 164 of the General Laws, as so appearing, is hereby
78 amended by adding the following subsection:-

79 (f) Neither this section nor sections 1B to 1H, inclusive, shall preclude an electric
80 company or a distribution company from constructing, owning and operating generation facilities
81 that produce solar energy; provided, however, that such company shall not construct, own or
82 operate more than 25 megawatts of such facilities; provided further, that such generation
83 facilities shall receive department approval for cost recovery prior to June 30, 2014 and are
84 constructed prior to June 30, 2015. Electric companies and distribution companies shall be
85 prohibited from selling, leasing, renting or otherwise transferring all or a portion of a solar
86 generation facility without prior approval by the department. Upon the filing by an electric
87 company or a distribution company of a petition for pre-approval of cost recovery for a solar
88 energy generating facility, the department shall determine whether the proposal is consistent with
89 the commonwealth's energy policy and could be used to satisfy, in part, the renewable energy
90 portfolio standard requirements under section 11F of chapter 25A. The department shall issue an
91 order within 6 months after the date of filing by the electric company or distribution company.
92 The department may adopt such rules and regulations as may be necessary to implement this
93 subsection. Electric and distribution companies shall not sell, lease, rent or otherwise transfer all
94 or a portion of a solar generation facility without prior approval by the department.

95 SECTION 18. Section 94 of said chapter 164, as so appearing, is hereby amended by
96 striking out the first paragraph and inserting in place thereof the following 2 paragraphs:-

97 Electric companies shall file with the department schedules, not less frequently than
98 every 5 years, and gas companies shall file with the department schedules, not less frequently
99 than every 10 years, under a filing schedule as prescribed by the department and in such form as

100 the department shall prescribe, showing all rates, prices and charges to be charged or collected
101 within the commonwealth for the sale and distribution of gas or electricity, together with all
102 forms of contracts to be used in connection with such schedules; provided, however, that the
103 requirement to file a schedule with the department not less frequently than every 5 or 10 years
104 shall not apply to a company or corporation as defined in section 1 of chapter 165. Rates, prices
105 and charges in such a schedule may be changed by any such company by filing a schedule
106 setting forth the changed rates, prices and charges; provided, however, that until the effective
107 date of any such change no different rate, price or charge shall be charged, received or collected
108 by the company filing such a schedule from those specified in the schedule then in effect;
109 provided, further, that a company may: (i) continue to charge, receive and collect rates, prices
110 and charges under a contract lawfully entered into before the schedule takes effect or until the
111 department otherwise orders, after notice to the company, a public hearing and makes a
112 determination that the public interest so requires; and (ii) sell and distribute gas or electricity
113 under a special contract hereafter made at rates or prices differing from those contained in a
114 schedule in effect; provided, further, that a copy of the contract, in each instance, shall be filed
115 with the department, except that a contract of a company whose sole business in the
116 commonwealth is the supply of electricity in bulk need not file, except as may be required by the
117 department.

118 If the department receives notice of any changes proposed to be made in any schedule
119 filed under this chapter which represent a general increase in rates, prices and charges for gas or
120 electric service, it shall notify the attorney general immediately and shall hold a public hearing
121 and make an investigation as to the propriety of such proposed changes after first causing notice
122 of the time, place and the subject matter of such hearing to be published at least 21 days before

123 such hearing in such local newspapers as the department may select. Unless the department
124 otherwise authorizes, the rates, prices and charges under the schedule of a gas or electric
125 company shall not become effective until the first day of the month next after the expiration of
126 14 days from the filing of the petition; provided, that the department shall not authorize rates
127 filed by an electric company under a proposed settlement agreement more than once in a 10-year
128 period. Unless the department otherwise authorizes, the rates, prices and charges set forth in the
129 schedule of a corporation or company, as defined in said section 1 of said chapter 165, shall not
130 become effective until the first day of the month next after the expiration of 14 days from the
131 filing of the petition. Such rates, prices and charges shall apply to the consumption shown by
132 meter readings made after the effective date of such rates, prices and charges, unless the
133 department otherwise orders. So much of said schedules shall be printed in such form and
134 distributed and published in such manner as the department may require.

135 SECTION 19. Section 94G^{1/2} of said chapter 164 is hereby repealed.

136 SECTION 20. Said chapter 164 is hereby further amended by inserting after section 94H
137 the following section:-

138 Section 94I. In each base distribution rate proceeding conducted by the department under
139 section 94, the department shall design base distribution rates using a cost-allocation method that
140 is based on equalized rates of return for each customer class; provided, however, that if the
141 resulting impact of employing this cost-allocation method for any 1 customer class would be
142 more than 10 per cent, the department shall phase in the elimination of any cross subsidies
143 between rate classes on a revenue neutral basis phased in over a reasonable period as determined
144 by the department.

145 SECTION 21. Said chapter 164 is hereby further amended by striking out section 96, as
146 appearing in the 2010 Official Edition, and inserting in place thereof the following section:-

147 Section 96. (a) For purposes of this section, the following words shall, unless the context
148 clearly requires otherwise, have the following meanings:-

149 “Control”, the possession of the power, through direct or indirect ownership of a majority
150 of the outstanding voting securities of a gas or electric company or of a holding company
151 thereof, to direct or cause the direction of the management and policies of a gas or electric
152 company or a holding company thereof or the ability to effect a change in the composition of its
153 board of directors or otherwise; provided, however, that control shall not be considered to arise
154 solely from a revocable proxy or consent given to a person in response to a public proxy or
155 consent solicitation made under the applicable rules and regulations of the Securities Exchange
156 Act of 1934 unless a participant in said solicitation has announced an intention to effect a merger
157 or consolidation with, reorganization or other business combination or extraordinary transaction
158 involving such gas or electric company or the holding company.

159 “Foreign electric company”, an electric company with a domicile, principal place of
160 business, headquarters or place of incorporation outside of the commonwealth, but which may
161 have shared costs with a gas or electric company subject to this chapter that may be allocated by
162 a holding company after an acquisition of control.

163 “Foreign gas company”, a gas company with a domicile, principal place of business,
164 headquarters or place of incorporation outside of the commonwealth, but which may have shared
165 costs with a gas or electric company subject to this chapter that may be allocated by a holding
166 company after an acquisition of control.

167 “Holding company”, any corporation, association, partnership, trust or similar
168 organization, or person which, regardless of the locus of the domicile, principal place of
169 business, headquarters or place of incorporation of such entity, either alone or in conjunction and
170 under an arrangement or understanding with 1 or more other corporations, associations,
171 partnerships, trusts or similar organizations, or persons, directly or indirectly, controls, or seeks
172 to acquire control over, and may cause costs to be allocated to a gas or electric company.

173 “Third party acquirer”, any corporation, association, partnership, trust or similar
174 organization or person that is not under common control with a holding company or companies
175 that are being acquired.

176 (b) Notwithstanding this chapter or any other general or special law to the contrary,
177 companies, except steam distribution companies, subject to this chapter, or holding companies
178 may consolidate or merge with one another or may sell and convey all or substantially all of their
179 properties to another of such companies. Such companies or holding companies may purchase
180 such properties if: (i) the purchase, sale, consolidation or merger, and the terms thereof, have
181 been approved, at meetings called for the purpose of approving such sale, consolidation or
182 merger, in the case of any contracting company organized under the laws of the commonwealth,
183 by a vote of the holders of at least two-thirds of each class of such company’s stock outstanding
184 and entitled to vote on the question, and, in the case of any contracting company organized in a
185 jurisdiction other than the commonwealth, by a vote of the holders of at least that percentage of
186 such company’s outstanding stock required for approval of the question under the laws of such
187 jurisdiction; and (ii) that the department, after notice and a public hearing, has determined that
188 such purchase and sale, consolidation or merger, and the terms thereof, are consistent with the
189 public interest. In determining whether a purchase and sale, consolidation or merger is consistent

190 with the public interest, the department shall, at a minimum, consider: potential rate changes, if
191 any; the long term strategies that will assure a reliable, cost effective energy delivery system; any
192 anticipated interruptions in service; or other factors which may negatively impact customer
193 service. The purchase or sale of properties by, or the consolidation or merger of, wholesale
194 generation companies shall not require departmental approval except as otherwise provided in
195 this subsection.

196 (c) Notwithstanding this chapter or any other general or special law to the contrary, a gas,
197 electric or holding company, subject to this chapter, shall not enter into any transaction or
198 otherwise take any action which would result in a change of its control over any gas, electric or
199 holding company, or foreign gas or electric company unless: (i) the terms thereof, have been
200 approved, at meetings called therefor, in the case of any contracting company organized under
201 the laws of the commonwealth, by a vote of the holders of at least two-thirds of each class of
202 such company's stock outstanding and entitled to vote on the question, and, in the case of any
203 contracting company organized in a jurisdiction other than the commonwealth, by a vote of the
204 holders of at least that percentage of such company's outstanding stock required for approval of
205 the question under the laws of such jurisdiction; and (ii) the department, after notice and a public
206 hearing, has determined that such transaction or action, and the terms thereof, are consistent with
207 the public interest; provided, however, that in making such a determination the department shall,
208 at a minimum, consider: potential rate changes, if any; the long term strategies that will assure a
209 reliable, cost effective energy delivery system; any anticipated interruptions in service; or other
210 factors which may negatively impact customer service.

211 A holding company may request a waiver of this subsection, on behalf of itself and any
212 foreign electric or gas company directly or indirectly controlled by or under common control

213 with it, by submission to the department of an affidavit, duly executed by a holding company
214 officer, describing the proposed transaction, accompanied with reasonable explanation and
215 documentation, and certifying facts that substantially support a conclusion that the proposed
216 transaction will have no adverse impacts on any electric or gas company subject to the
217 department's jurisdiction, as applicable, or the ratepayers of any such electric or gas company.
218 The department shall have the discretion to waive compliance with this subsection if the
219 department agrees with the conclusion supported by such officer's affidavit; the department shall
220 issue an order granting or denying such waiver request within 45 days following the holding
221 company's submission of the applicable officer's affidavit.

222 (d) Corporate reorganizations involving holding companies that will not result in the
223 acquisition, directly or indirectly, of control of an electric or gas company subject to this chapter,
224 or of a holding company thereof, by a third party acquirer shall not be subject to this section.

225 (e) Nothing in this section shall apply to a wholesale generation company.

226 SECTION 22. Said chapter 164 is hereby further amended by striking out section 137, as
227 so appearing, and inserting in place thereof the following section:-

228 Section 137. Notwithstanding any general or special law to the contrary, (i) any non-
229 profit institution in the commonwealth or any agency, executive office, department, board,
230 commission, bureau, division or authority of the commonwealth, including the executive,
231 legislative and judicial branches of the commonwealth, or of any political subdivision thereof, or
232 of any authority established by the general court to serve a public purpose, may, unless located
233 within the boundaries of a community served by a municipal light department, participate in and
234 become a member of any competitively procured program organized and administered, under

235 this chapter, by or on behalf of any public instrumentality of the commonwealth or of any
236 subsidiary organization thereof for the purpose of group purchasing of electricity, natural gas,
237 telecommunications services or similar products; (ii) the disposition of municipal or state real
238 property by lease, easement or license for renewable energy shall not require competitive bidding
239 when part of a power purchase agreement or a net metering agreement in a program organized
240 and administered under this section; (iii) any agency, executive office, department, board,
241 commission, bureau, division or authority of the commonwealth, including the executive,
242 legislative and judicial branches of the commonwealth, may, on behalf of the commonwealth,
243 dispose of real property, by lease, easement or license, which is part of a power purchase
244 agreement or net metering agreement in a program organized and administered under this
245 section, including, but not limited to, construction of renewable energy projects on state
246 property; and (iv) any renewable energy project which is part of a power purchase agreement or
247 net metering agreement in a program organized and administered under this section and
248 considered to be public construction shall be subject to sections 26 to 27D, inclusive, of chapter
249 149.

250 SECTION 23. Section 138 of said chapter 164, as so appearing, is hereby amended by
251 inserting after the definition of “Agriculture” the following definition:-

252 “Anaerobic digestion net metering facility”, a facility that (1) generates electricity from a
253 biogas produced by the accelerated biodegradation of organic materials under controlled
254 anaerobic conditions; and (2) has been determined by the department of energy resources, in
255 coordination with the department of environmental protection, to qualify under the department of
256 energy resources regulations as a Class I renewable energy generating source under section 11F
257 of chapter 25A.

258 SECTION 24. Said section 138 of said chapter 164, as so appearing, is hereby further
259 amended by striking out, in line 21, the words “not using solar” and inserting in place thereof the
260 following words:- that is not an agricultural net metering facility or that is not using solar,
261 anaerobic digestion.

262 SECTION 25. Said section 138 of said chapter 164, as so appearing, is hereby further
263 amended by inserting after the word “facility”, in lines 36 and 54, the second time it appears, in
264 each instance, the following words:- ,an anaerobic digestion net metering facility.

265 SECTION 26. Said section 138 of said chapter 164, as so appearing, is hereby further
266 amended by inserting after the word “metering”, in line 60, the first time it appears, the
267 following words:- , anaerobic digestion net metering.

268 SECTION 27. Subsection (f) of section 139 of said chapter 164, as so appearing, is
269 hereby amended by striking out, in line 68, the words “1 per cent” and inserting in place thereof
270 the following words:- 3 per cent.

271 SECTION 28. Said subsection (f) of said section 139 of said chapter 164, as so
272 appearing, is hereby further amended by striking out, in line 70, the words “2 per cent” and
273 inserting in place thereof the following words:- 3 per cent.

274 SECTION 29. Said subsection (f) of said section 139 of said chapter 164, as so
275 appearing, is hereby further amended by inserting after the word “facility”, in line 76, the
276 following words:- or an anaerobic digestion net metering facility.

277 SECTION 30. Said section 139 of said chapter 164, as so appearing, is hereby further
278 amended by adding the following 2 subsections:-

279 (h) A municipality or other governmental entity that is a member of a cooperative
280 corporation, organized under section 136, that is comprised solely of municipalities or other
281 governmental entities, may transfer any or all of the net metering generating capacity associated
282 with a facility, or facilities, as specified in subsection (f) to said cooperative corporation by
283 providing written assent to the cooperative corporation and obtaining approval from the
284 department. Such a cooperative corporation may serve as a host customer, as defined in 220
285 CMR 18.02, for net metering facilities of municipalities or other governmental entities for all
286 such allocated capacity and its own allocation of capacity as an other governmental entity;
287 provided, that the net metering credits for which such cooperative serves as host customer shall
288 only be allocated to such cooperative or its members. Such cooperative shall not be considered
289 an electric company, generation company, aggregator, supplier, energy marketer or energy
290 broker, as those terms are defined in sections 1 and 1F.

291 (i) A Class I net metering facility shall be exempt from the aggregate net metering
292 capacity of facilities that are not net metering facilities of a municipality or other governmental
293 entity under subsection (f), and may net meter if it is generating renewable energy and the
294 nameplate capacity of the facility is (1) equal to or less than 10 kilowatts on a single-phase
295 circuit or (2) 25 kilowatts on a 3-phase circuit.

296 SECTION 31. Section 6 of chapter 775 of the acts of 1975 is hereby amended by striking
297 out subsection (a), as amended by section 10 of chapter 535 of the acts of 2008, and inserting in
298 place thereof the following subsection:-

299 (a) The corporation, and member and non-member cities and towns having municipal
300 electric departments established under chapter 164 of the General Laws or by a special act and

301 other utilities, public or private, may enter into energy contracts including, but not limited to,
302 contracts providing for the sale or purchase of energy or energy facilities, borrowing by members
303 under a pooled loan program, planning, engineering, design, acquiring sites or options for sites
304 and expenses preliminary or incidental to such facilities. Any such contract may: (i) be for the
305 life of a facility or other term or for an indefinite period; (ii) provide for the payment of
306 unconditional obligations imposed without regard to whether a facility is undertaken, completed,
307 operable or operating and notwithstanding the suspension, interruption, interference, reduction or
308 curtailment of the output of a facility; and (iii) contain provisions for prepayment, non-
309 unanimous amendment, arbitration, delegation and other matters considered necessary or
310 desirable to carry out its purposes. Any such contract may also provide, in the event of default
311 by any party to the contract in the performance of its obligations under the contract, for other
312 parties to assume the obligations and succeed to the rights and interests of the defaulting party,
313 pro rata or otherwise as may be agreed upon in the contract.

314 SECTION 32. Section 7 of chapter 465 of the acts of 1980, as most recently amended by
315 chapter 164 of the acts of 1997, is hereby further amended by adding the following 2
316 subsections:-

317 (h) If a utility includes, in a manner prescribed by the department, the Massachusetts
318 residential conservation service as part of an efficiency investment plan prepared and submitted
319 to the department under section 21 of chapter 25 of the General Laws, the utility shall have
320 satisfied the requirements of subsection (b).

321 (i) For any utility that includes the Massachusetts residential conservation service as part
322 of an efficiency investment plan prepared and submitted to the department under said section 21

323 of said chapter 25, the department shall review the efficiency investment plan under said section
324 21 of said chapter 25 and shall not review the plan under subsection (f).

325 SECTION 33. Section 9H of chapter 723 of the acts of 1983 is hereby amended by
326 striking out, in lines 1 and 6, the words “quality engineering”, and inserting in place thereof, in
327 each instance, the following word:- protection.

328 SECTION 34. Said section 9H of said chapter 723 is hereby further amended by inserting
329 after the word “recreation”, in line 9, the following words:- or renewable energy,
330 notwithstanding any rule or regulation to the contrary, under a permit issued by said department
331 under 310 CMR 19.000.

332 SECTION 35. Section 83 of chapter 169 of the acts of 2008 is hereby amended by
333 striking out the first paragraph and inserting in place thereof the following paragraph:-

334 Beginning on July 1, 2009 and continuing until December 31, 2012, each distribution
335 company, as defined in section 1 of chapter 164 of the General Laws, shall be required twice to
336 solicit proposals from renewable energy developers and, provided reasonable proposals have
337 been received, enter into cost-effective long-term contracts to facilitate the financing of
338 renewable energy generation. The timetable and method for solicitation and execution of such
339 contracts shall be proposed by the distribution company, in consultation with the department of
340 energy resources, and shall be subject to review and approval by the department of public
341 utilities. This long-term contracting obligation shall be separate and distinct from the electric
342 distribution companies’ obligation to meet applicable annual renewable portfolio standard,
343 hereinafter referred to as RPS, requirements, under section 11F of chapter 25A of the General
344 Laws.

345 SECTION 36. Said chapter 169 is hereby further amended by inserting after section 83
346 the following section:-

347 Section 83A. Beginning on January 1, 2013 and continuing until December 31, 2016, all
348 distribution companies in the commonwealth, as defined in section 1 of chapter 164 of the
349 General Laws, shall be required twice in that time period to jointly solicit additional proposals
350 from renewable energy developers and, provided reasonable proposals have been received, enter
351 into additional cost-effective long-term contracts to facilitate the financing of renewable energy
352 generation, apportioned among the distribution companies under this section. The timetable and
353 method for solicitation and execution of such contracts shall be proposed by the distribution
354 companies in consultation with the department of energy resources and shall be subject to review
355 and approval by the department of public utilities. This long-term contracting obligation shall be
356 separate and distinct from the electric distribution companies' obligation to meet applicable
357 annual renewable portfolio standard, hereinafter referred to as RPS, requirements, under section
358 11F of chapter 25A of the General Laws.

359 A distribution company may fulfill its responsibilities under this section through
360 individual competitive solicitations that are independent from the 2 joint solicitations for
361 proposals from renewable energy developers and, provided reasonable proposals have been
362 received, enter into cost effective long-term contracts to facilitate the financing of renewable
363 energy generation under this section if, upon petition to the department of public utilities prior to
364 the first joint solicitation, the department rules that a solicitation by an individual distribution
365 company would be more cost effective to ratepayers than said distribution company engaging in
366 a joint solicitation.

367 For purposes of this section, a long-term contract shall be a contract with a term of 10 to
368 20 years. In developing proposed long-term contracts, the distribution companies shall consider
369 multiple contracting methods, including long-term contracts for renewable energy certificates,
370 hereinafter referred to as RECs, for energy, and for a combination of both RECs and energy.
371 Beginning January 1, 2013, the electric companies shall jointly select a reasonable method of
372 soliciting proposals from renewable energy developers using a competitive bidding process only.
373 Distribution companies may use timetables and methods for the solicitation of competitively bid
374 long-term contracts approved by the department of public utilities prior to January 1, 2013. A
375 distribution company may decline to consider contract proposals having terms and conditions
376 that it determines would require the contract obligation to place an unreasonable burden on the
377 distribution company's balance sheet, and may structure its contracts, pricing or administration
378 of the products purchased to mitigate impacts on the balance sheet or income statement of the
379 distribution company or its parent company, subject to the approval of the department of public
380 utilities; provided, that such mitigation shall not increase costs to ratepayers. The distribution
381 companies shall consult with the department of energy resources and the attorney general's
382 office regarding the choice of contracting methods and solicitation methods. All proposed
383 contracts shall be subject to the review and approval of the department of public utilities.

384 The department of public utilities and the department of energy resources each shall
385 adopt regulations consistent with this section. The regulations shall: (a) allow renewable energy
386 developers to submit proposals for long-term contracts conforming to the contracting methods
387 specified in the second paragraph; (b) require that contracts executed by the distribution
388 companies under such proposals are filed with, and approved by, the department of public
389 utilities before they become effective; (c) provide for an annual remuneration for the contracting

390 distribution company equal to 2.75 per cent of the annual payments under the contract to
391 compensate the company for accepting the financial obligation of the long-term contract, such
392 provision to be acted upon by the department of public utilities at the time of contract approval;
393 (d) to the extent there are significant transmission costs included in a bid, the department of
394 public utilities shall authorize the contracting parties to seek recovery of such transmission costs
395 of the project through federal transmission rates, consistent with policies and tariffs of the federal
396 energy regulatory commission, to the extent the department finds such recovery is in the public
397 interest; and (e) require that the renewable energy generating source to be used by a developer
398 under the proposal meet the following criteria: (1) have a commercial operation date, as verified
399 by the department of energy resources, on or after January 1, 2013; (2) be qualified by the
400 department of energy resources as eligible to participate in the RPS program, under said section
401 11F of said chapter 25A, and to sell RECs under the program; and (3) be determined by the
402 department of public utilities to: (i) provide enhanced electricity reliability within the
403 commonwealth; (ii) contribute to moderating system peak load requirements; (iii) be cost
404 effective to Massachusetts electric ratepayers over the term of the contract; and (iv) where
405 feasible, create additional employment and economic development in the commonwealth. As
406 part of its approval process, the department of public utilities shall consider the attorney
407 general's recommendations, which shall be submitted to the department of public utilities within
408 45 days following the filing of such contracts with the department of public utilities. The
409 department of public utilities shall consider both the potential costs and benefits of such contracts
410 and shall approve a contract only upon a finding that it is a cost effective mechanism for
411 procuring low cost renewable energy on a long-term basis taking into account the factors
412 outlined in this section.

413 The joint solicitations required under this section shall be coordinated among the electric
414 distribution companies by the department of energy resources. If distribution companies are
415 unable to agree on a winning bid under a solicitation under this section, the matter shall be
416 submitted to the attorney general, in consultation with the department of energy resources and
417 the department of public utilities, for a final, binding determination of the winning bid. The
418 electric distribution companies shall each enter into a contract with the winning bidders for their
419 apportioned share of the market products being purchased from the project. The apportioned
420 share shall be calculated and based upon the total energy demand from all distribution customers
421 in each service territory of the distribution companies.

422 Distribution companies shall not enter into long-term contracts under this section that
423 would, in the aggregate, exceed 4 per cent of the total energy demand from all distribution
424 customers in the service territory of the distribution company. As long as an electric distribution
425 company has entered into long-term contracts in compliance with this section, it shall not be
426 required by regulation or order or by other agreement to enter into additional long-term
427 contracts; provided, however, that an electric distribution company may execute such contracts
428 voluntarily, subject to the approval of the department of public utilities.

429 Ten per cent of the aggregate level of long-term contracts under this section shall be
430 reserved for newly developed, small, emerging or diverse renewable energy distributed
431 generation facilities, as determined by the department of energy resources, which are located
432 within each distribution company's service territory. Notwithstanding this section to the
433 contrary, each distribution company shall be required to solicit proposals for such distributed
434 generation facilities separately through a competitive bidding process only. Distributed
435 generation projects qualifying under this paragraph shall have a nameplate capacity not larger

436 than 6 megawatts, shall not qualify as a Class I, II or III net metering facility, as defined in
437 section 138 of said chapter 164; provided, however, that long-term contracts reserved for newly
438 developed, small, emerging or diverse renewable energy distributed generation facilities shall not
439 be awarded to any technology which had more than 30 megawatts of capacity installed in the
440 commonwealth before April 1, 2012.

441 An electric distribution company may elect to use any energy purchased under such
442 contracts for resale to its customers, and may elect to retain RECs to meet the applicable annual
443 RPS requirements under said section 11F of said chapter 25A. If the energy and RECs are not so
444 used, such companies shall sell such purchased energy into the wholesale spot market and shall
445 sell such purchased RECs through a competitive bid process. Notwithstanding the previous
446 sentence, the department of energy resources shall conduct periodic reviews to determine the
447 impact on the energy and REC markets of the disposition of energy and RECs under this section
448 and may issue reports recommending legislative changes if it determines that actions are being
449 taken that will adversely affect the energy and REC markets.

450 If a distribution company sells the purchased energy into the wholesale spot market and
451 auctions the RECs as described in the fifth paragraph, the distribution company shall net the cost
452 of payments made to projects under the long-term contracts against the proceeds obtained from
453 the sale of energy and RECs, and the difference shall be credited or charged to all distribution
454 customers through a uniform fully reconciling annual factor in distribution rates, subject to
455 review and approval of the department of public utilities. The reconciliation process shall be
456 designed so that a distribution company recovers all costs incurred under such contracts. If the
457 RPS requirements of said section 11F of said chapter 25A terminate, the obligation to continue
458 periodic solicitations to enter into long-term contracts shall cease; provided however, that

459 contracts already executed and approved by the department of public utilities shall remain in full
460 force and effect.

461 This section shall not limit consideration of other contracts for RECs or power submitted
462 by a distribution company for review and approval by the department of public utilities.

463 If this section is subject to a judicial challenge, the department of public utilities may
464 suspend the applicability of the challenged provision during the pendency of the judicial action
465 until final resolution of the challenge and any appeals and shall issue such orders and take such
466 other actions as are necessary to ensure that the provisions that are not challenged are
467 implemented expeditiously to achieve the public purposes of this section.

468 SECTION 37. Section 114 of said chapter 169 is hereby amended by striking out, in line
469 3, the figure “2016” and inserting in place thereof the following figure:- 2019.

470 SECTION 38. Clause (2) of subsection (a) of section 116 of said chapter 169 is hereby
471 amended by adding the following words:- , including hydroelectric power, regardless of whether
472 that power is eligible under the renewable energy portfolio standard contained in section 11F of
473 chapter 25A of the General Laws.

474 SECTION 39. The Massachusetts clean energy technology center shall administer a
475 Hydropower Design and Construction Improvement Grant program, in conjunction with the
476 Commonwealth Hydropower Program, to fund upgrades and improvements to existing
477 hydroelectric generation facilities located in the commonwealth that have incrementally
478 increased generating capacity since December 31, 1997, provided that such upgrades and
479 improvements are necessary for the facilities to qualify as a Class I or Class II renewable energy
480 generating source under section 11F of chapter 25A of the General Laws.

481 The Massachusetts clean energy technology center may draw upon and shall make
482 available for the grant program not less than 30 per cent of all Class II alternative compliance
483 payment funds generated under said section 11F of said chapter 25A during the 12 months
484 preceding the solicitation under said grant program.

485 Facilities that apply for the grant program shall be eligible for a grant for each such
486 facility of up to the total amount of Class II alternative compliance payment funds made
487 available to the Massachusetts clean energy technology center under this section; provided,
488 however, that sufficient funds are available for such grants. No grant shall equal more than 50
489 per cent of the total actual cost for the upgrades and improvements necessary for the facilities to
490 qualify as a Class I or Class II renewable energy generating source under said section 11F of said
491 chapter 25A.

492 SECTION 40. In this section the following words shall, unless the context clearly
493 requires otherwise, have the following meanings:-

494 “Department”, the department of public utilities.

495 “NEMA”, the Northeastern Massachusetts /Boston load zone.

496 “RFP”, request for proposals.

497 Within 30 days after the effective date of this act, the department shall open a docket to
498 investigate the need for additional capacity in the NEMA region within the next 10 years. This
499 investigation shall be completed by March 15, 2013. If there is a demonstration that the ISO-
500 New England forward capacity auction immediately preceding March 15, 2013 concluded with
501 total capacity, including excess generating capacity, in such load zone in an amount less than the

502 capacity expected to be needed to reliably serve the load to such load zone during the next
503 subsequent auction after taking into account any delist or retirement bids that were rejected for
504 reliability reasons, the department shall determine whether there is a need for additional electric
505 generating capacity in the NEMA region. Such a demonstration shall be conclusive proof of the
506 need for additional electric generating capacity in the NEMA load zone. In making its
507 determination, the department shall include consideration of ISO-New England findings and of
508 the anticipated function of the capacity market in New England.

509 If the department determines there is need for additional electric generating capacity in
510 the NEMA load zone within the next 10 years, under this section, the department may order
511 distribution companies as defined in section 1 of chapter 164 of the General Laws serving such
512 load zone to solicit competitive proposals from developers of electricity generation and provided
513 reasonable proposals have been received, enter into cost-effective long-term contracts to deliver
514 such resources to the NEMA load zone. If required by the department, each distribution
515 company shall administer a competitive solicitation process in the form of an RFP for such
516 capacity that would satisfy the criterion established in subsection (a) of section 21 of chapter 25
517 of the General Laws. The RFP shall seek a quantity of electric generating capacity sufficient to
518 meet the shortfall identified by the department in the docket initiated under the preceding
519 paragraph. Provided competitive proposals have been received, each distribution company shall
520 enter into long-term contracts with a developer or developers of electricity generation resources
521 sufficient to meet the shortfall; provided, that such contracts shall not be effective unless
522 approved by the department of public utilities.

523 For purposes of this section, a long-term contract shall be a contract with a term of 10 to 20
524 years.

525 Any contracts entered into by the distribution company under this section shall be reviewed
526 by the department. The department shall: (a) require that contracts executed by the distribution
527 company under such proposals are filed with, and approved by, the department before they
528 become effective; (b) require that the energy generating source to be used by a developer under
529 the proposal meet at least the following criteria: (1) have a commercial operation date, as verified
530 by the department of energy resources, on or after June 1, 2014; (2) be determined to fulfill the
531 capacity need in the NEMA load zone identified by the department in the docket authorized in
532 the second paragraph; (3) be determined by the department of public utilities to: (i) provide
533 enhanced electricity reliability within the commonwealth; (ii) contribute to moderating system
534 peak load requirements; (iii) provide net benefits in terms of the cost of electricity to
535 Massachusetts electric ratepayers over the term of the contract; (iv) demonstrate the mitigation of
536 environmental impacts including, but not limited to, site remediation and reduced greenhouse gas
537 emissions in the commonwealth as well as reduced emissions of criteria pollutants and hazardous
538 air pollutants in the commonwealth; and (v) where feasible, create additional employment and
539 economic development in the commonwealth. In the case of any such contract, the distribution
540 company shall include documentation sufficient to demonstrate how the contract satisfies the
541 criterion established in subsection (a) of section 21 of chapter 25 of the General Laws, specifying
542 the parameters used to make this calculation, including, but not limited to, the forecast energy
543 price and the discount rate. As part of its approval process, the department shall consider the
544 attorney general's recommendations, which shall be submitted to the department within 45 days
545 following the filing of such contracts with the department. Notwithstanding this paragraph,

546 however, if the department determines that the solicitation process was not competitive, then it
547 shall not approve the contracts.

548 SECTION 41. (a) There shall be an energy policy review commission established to
549 research and review the economic and environmental benefits, as well as, the economic and
550 electricity cost implications of energy and electricity policies in the commonwealth. The
551 commission shall report to the legislature recommendations on how to: (i) further expand the
552 commonwealth's renewable energy portfolio and promote energy-efficiency; (ii) encourage
553 business development and job creation; (iii) reduce the costs associated with energy programs
554 funded, in whole or in part, by the commonwealth, while maximizing the benefit of these
555 programs; (iv) reduce the cost of electricity for commercial, industrial and residential customers;
556 and (v) increase electricity reliability.

557 (b) (1) The commission shall consist of 9 members: 1 of whom shall be the secretary of
558 energy and environmental affairs, who shall serve as chair; 1 of whom shall be the attorney
559 general or a designee; 1 of whom shall be a person appointed by the Associated Industries of
560 Massachusetts; 4 of whom shall be persons who are experts in energy efficiency or renewable
561 energy generation, 1 of whom shall be appointed by the speaker of the house of representatives,
562 1 of whom shall be appointed by the president of the senate, 1 of whom shall be appointed by the
563 minority leader of the house of representatives and 1 of whom shall be appointed by the minority
564 leader of the senate; and 2 of whom shall be appointed by the governor, 1 of whom shall be a
565 representative of a Massachusetts energy efficiency business with 10 or fewer employees, and 1
566 of whom shall be a representative of an institution of higher education and who is also an expert
567 in the structure of the regional wholesale electricity market. A vacancy in the commission shall
568 be filled in the manner in which the original appointment was made.

569 (2) The members of the commission shall receive no compensation for their services.

570 (3) The powers of the commission shall include, but not be limited to: (i) using voluntary
571 and uncompensated services of private individuals, agencies and organizations as may be offered
572 or needed; (ii) recommending policies and making recommendations to agencies and officers of
573 the commonwealth and local subdivisions of government to effectuate the changes outlined in
574 subsection (a); (iii) enacting by-laws for the commission's own governance; and (iv) holding
575 regular public meetings, fact-finding hearings and other public forums as the commission
576 considers necessary.

577 (4) The commission may request from all state agencies such information and assistance
578 as the commission may require. The commission may also request such information from
579 companies and organizations with state contracts that provide services relative to the scope of the
580 commission.

581 (5) The commission shall issue a report which shall include, but not be limited to, an
582 analysis of the estimated or actual economic and environmental benefits, as well as, economic
583 cost, electricity cost and implication for electricity reliability of: (i) implementing administrative,
584 regulatory and legislative rulemaking as it pertains to electricity and the structure of the
585 wholesale electricity market; and (ii) meeting legislative and administrative goals and
586 requirements related to greenhouse gas reductions, energy efficiency and renewable energy
587 generation.

588 (6) The commission shall, at minimum, research, evaluate, consider and report on: (i)
589 determining consistent metrics to be utilized to evaluate the success and cost-effectiveness of
590 programs under chapter 169 of the acts of 2008; (ii) the associated economic and environmental
591 impact of scheduled increases in demand resources, aggregate net metering capacity and

592 renewable energy capacity; (iii) the structure of the regional wholesale electricity market and its
593 impact on retail electricity costs; and (iv) the overall impact of the commonwealth's energy and
594 electricity policies on economic growth in the commonwealth, specifically net job creation and
595 business development, establishment and retention.

596 (c) (1) The commission shall consult with electric distribution companies, natural gas
597 distribution companies, green businesses residing in the commonwealth and other interested
598 parties, providing at least 1 opportunity for public comment, as well as, the public review of the
599 commission's draft report prior to filing the report with the general court.

600 (2) The commission shall convene its first meeting by November 1, 2012 and shall
601 submit its report, along with any recommendations for legislative or regulatory reforms, not later
602 than July 1, 2013 with the clerks of the house of representatives and the senate who shall forward
603 a copy of the report to the house and senate chairs of the joint committee on telecommunications,
604 utilities and energy .

605 (3) The commission shall reconvene after July 31, 2017, under this section, and shall
606 submit a second report, along with any recommendations for legislative or regulatory reforms,
607 not later than July 1, 2018 with the clerks of the house of representatives and the senate who
608 shall forward a copy of the report to the house and senate chairs of the joint committee on
609 telecommunications, utilities and energy.

610 SECTION 42. There shall be a plant revitalization task force established to implement a
611 plan, adopt rules and regulations and recommend necessary legislative action to ensure the full
612 deconstruction, remediation and redevelopment or repowering of the Salem Harbor Power
613 Station by December 31, 2016. The task force shall prepare a plan of action for Salem Harbor
614 Station that includes: (i) the full deconstruction of the existing facility, including financing, if

615 necessary, of such deconstruction; (ii) remediation of environmental issues on the site; (iii)
616 maintenance of jobs and preexisting municipal tax revenue associated with the site; (iv) ensuring
617 the responsible parties are held liable for costs of environmental remediation; and (v) additional
618 mitigation efforts necessary for the redevelopment or repowering of the site.

619 In developing and implementing a plan for Salem Harbor Power Station, regulations and
620 proposed legislation, the task force shall, at a minimum, consider the following: (1) options for
621 the full financing of the cleanup of Salem Harbor Power Station, including the creation of
622 decommissioning funds, bonding programs through the Massachusetts Development Finance
623 Agency, long term contracting mechanisms, regulatory or financial incentives for redevelopment
624 or other means to secure such financing; (2) the identification of existing state or federal
625 programs available that may assist in the redevelopment or repowering of the site; and (3) the
626 creation of new programs, grants or other incentives to encourage the redevelopment or
627 repowering of the site.

628 The governor shall establish the task force by September 15, 2012, which shall consist of
629 11 members, including: (1) the secretary of energy and environmental affairs or a designee, who
630 shall serve as chair; (2) the secretary of housing and economic development or a designee; (3)
631 the commissioner of environmental protection or a designee; (4) the attorney general or her
632 designee, in her capacity as the ratepayer advocate for the commonwealth; (5) a representative of
633 Mass Development; (6) a representative of an electric utility; (7) a representative of the New
634 England Power Generators Association; (8) a representative from the International Brotherhood
635 of Electrical Workers; (9) a mayor of a city hosting a coal-fired generating plant; (10) a state
636 representative representing a community with a coal-fired generating plant, appointed by the

637 speaker of the house of representatives; and (11) a state senator representing a community with a
638 coal-fired generating plant, appointed by the president of the senate.

639 The task force shall present its plan for Salem Harbor Power Station and suggested rules
640 and regulations to the department of energy resources, the department of public utilities and the
641 joint committee on telecommunications, utilities and energy by June 15, 2013, after which the
642 department of energy resources and the department of public utilities shall promulgate rules and
643 regulations under the plan of action under this section.

644 The task force shall also identify and develop a plan for other coal-fired generation
645 facilities in the commonwealth that may face closure prior to December 31, 2017 that ensures the
646 deconstruction, remediation and redevelopment or repowering of such sites. The Task Force
647 shall present its analysis of other coal-fired generation facilities in the commonwealth by
648 December 31, 2013.

649 SECTION 43. The department of energy resources and the attorney general shall jointly
650 study the feasibility, anticipated results, statutory and regulatory barriers and potential benefits of
651 authorizing the commonwealth to procure long-term contracts with Class I renewable energy
652 facilities, as defined in section 11F of chapter 25A of the General Laws, together with long-term
653 contracts for transmission scheduling rights to deliver power generated by such facilities to load
654 zones in the commonwealth. The study shall be based on the best available technical, regulatory
655 and economic analysis. The study shall include a review of central procurement practices in
656 other jurisdictions, including other states or regions, and shall concentrate on such practices in
657 states with restructured electricity markets. The study shall review any studies already
658 performed, and shall take into consideration any studies currently being conducted by state or

659 regional groups with regards to regional procurement, and how the implementation of long-term
660 contract procurement would affect regional efforts in the ISO-New England service area. The
661 study shall identify potential problems and recommend possible solutions to be implemented
662 before the commonwealth may procure such long-term contracts. The department and the
663 attorney general shall publish a report of their findings and recommendations on their respective
664 websites and shall submit a copy of the report not later than September 30, 2013 to the clerks of
665 the house of representatives and the senate who shall forward a copy of the report to the joint
666 committee on telecommunications, utilities and energy.

667 SECTION 44. The department of public utilities shall conduct a study into the financing
668 of low-income electric and gas discount programs. The study shall identify the financing of the
669 existing programs at each electric and gas distribution company and shall include consideration
670 of adopting a statewide mechanism for financing low-income discount programs. In addition, the
671 study shall identify and make recommendations as to cost-saving efficiencies that increase
672 accountability. The department shall submit a copy of the study not later than January 1, 2014 to
673 the clerks of the house of representatives and the senate who shall forward a copy of the study to
674 the joint committee on telecommunications, utilities and energy.

675 SECTION 45. The department of energy resources shall study what legislative or
676 regulatory steps would serve to reduce reliance on alternative compliance payments in meeting
677 Class II renewable energy generating sources, as defined in section 11F of chapter 25A of the
678 General Laws. The department shall submit a copy of the study, together with its
679 recommendations, not later than January 1, 2013 to the clerks of the house of representatives and
680 the senate who shall forward a copy of the study to the joint committee on telecommunications,
681 utilities and energy .

682 SECTION 46. The executive office of energy and environmental affairs, in consultation
683 with the department of energy resources, shall study whether any alternative energy
684 development, as defined in section 3 of chapter 25A of the General Laws, that generates useful
685 thermal energy shall be added to the list of alternative energy generating sources that may be
686 used to meet the commonwealth's energy portfolio standard for all retail electricity suppliers
687 selling electricity to end-use customers in the commonwealth under section 11F½ of said chapter
688 25A. For purposes of this study, "useful thermal energy", shall mean energy in the form of
689 direct heat, steam, hot water or other thermal form that is used in production and beneficial
690 measures for heating, cooling, humidity control, process use or other valid thermal end use
691 energy requirements and for which fuel or electricity would otherwise be consumed. The
692 executive office of energy and environmental affairs shall submit a report of its findings not later
693 than January 1, 2013 to the clerks of the house of representatives and the senate who shall
694 forward a copy of the report to the joint committee on telecommunications, utilities and energy.

695 SECTION 47. The department of energy resources shall conduct a study into the process
696 for reactivation of pre-existing hydroelectric power sites, including a review of all necessary
697 permitting and approvals to determine whether and how the process can be expedited and
698 streamlined. The investigation shall include a determination of those permits necessary from
699 federal, state and local agencies for the reactivation of a pre-existing site, and recommendations
700 to streamline the process to allow for timely and cost-effective redevelopment. In the course of
701 the investigation, the department shall convene, to the extent possible, those state and federal
702 agencies responsible for permitting, and any entities that may have obtained, or pursued, permits
703 for the reactivation of pre-existing hydroelectric power sites. The department shall file a report
704 of the findings not later than January 1, 2016 with the clerks of the house of representatives and

705 the senate who shall forward a copy of the report to the chairs of the joint committee on
706 environment, natural resources and agriculture and the chairs of the joint committee on
707 telecommunications, utilities and energy.

708 SECTION 48. Section 36 shall not take effect until the department of energy resources
709 has completed a study to assess whether the long-term contracting requirements reasonably
710 support the renewable energy goals of the commonwealth as required under section 83 of chapter
711 169 of the acts of 2008 and said study has been submitted to the clerks of the house of
712 representatives and the senate and to the chairs of the joint committee on telecommunications,
713 utilities and energy. The study shall include, but not be limited to, input from stakeholders in the
714 energy sector.

715 SECTION 49. The department of public utilities shall develop an enforceable standard
716 interconnection timeline for the interconnection of distributed generation facilities. Timelines
717 may vary depending on the size and type of the facility or other factors as determined by the
718 department. The department shall implement such timeline not later than November 1, 2013.
719 The department shall enforce established timelines as part of its service quality standards review
720 under section 11 of chapter 164 or by whatever enforcement mechanism is determined
721 appropriate by the department.

722 SECTION 50. The department of public utilities shall open an investigation relative to
723 increasing the transparency of electric bills sent to retail and commercial customers by electric or
724 gas distribution companies. The department shall consider whether to require a separate “systems
725 benefit” line-item on all electric and gas bills to reflect the rate charged to customers for public
726 policy programs, including, but not limited, to energy efficiency and renewable energy

727 generation programs. The department shall submit its findings to the joint committee on
728 telecommunications, utilities and energy not later than June 1, 2013.

729 SECTION 51. Notwithstanding any general or special law to the contrary, on or before
730 January 1, 2013, the department of public utilities shall commence a proceeding for each gas and
731 electric distribution company to identify each reconciliation factor relied upon and to establish a
732 cost-based rate design for costs that are currently recovered from distribution customers through
733 a reconciling factor. The department shall reset reconciliation factors to recover such costs from
734 each rate class under cost-based criteria. In the absence of clear cost causation, volumetric
735 charges shall be employed in a uniform manner in direct proportion to the contribution of base
736 distribution revenues from each class. The department shall approve such redesigned
737 reconciliation factors, after a public hearing comment period, not later than January 1, 2014.

738 SECTION 52. The department of energy resources, in consultation with the attorney
739 general, shall conduct a study on the continuing challenges associated with the restructuring of
740 the electric industry.

741 The study shall (1) analyze the effects of market manipulation within the New England
742 electricity marketplace on electricity costs, including distribution, transmission and supply costs,
743 since the restructuring of the electric industry; (2) analyze the effects electric power industry
744 consolidation within the New England electricity marketplace and effects on electricity costs,
745 including distribution, transmission and supply costs, since the restructuring of the electric
746 industry; (3) provide a status of competition in the New England marketplace as it affects the
747 commonwealth and detail the market share trends for generation and competitive supply of
748 electricity since the restructuring of the electricity industry and since the termination of standard
749 offer generation service under section 1B of chapter 164 of the General Laws and 220 CMR

750 11.00, including an analysis of generation market share trends for: (i) the entire New England
751 marketplace; (ii) the commonwealth; and (iii) each of the 3 load zones within the
752 commonwealth; (4) analyze and provide conclusions regarding the limited residential customer
753 migration rate from basic service to competitive electricity supply including a projection of
754 residential customer migration rates in the future; and (5) analyze the benefits of the integrated
755 resource planning process that electric companies developed under section 69I of the General
756 Laws prior to the restructuring of the electric industry that are not effectively or comprehensively
757 considered within the commonwealth's restructured electric industry, including the accurate
758 analysis and procurement of non-transmission generation alternatives when resources are
759 necessary for electricity reliability.

760 The department shall make specific legislative and regulatory recommendations to
761 reincorporate state or utility scale integrated resource planning, under this section, and report
762 findings to the joint committee on telecommunications, utilities and energy not later than July 15,
763 2013.

764 SECTION 53. Any deed restriction existing on the effective date of this act, that was
765 placed on a landfill closed pursuant to section 9H of chapter 713 of the acts of 1983, may be
766 amended to allow for renewable energy use.

767 SECTION 54. A customer that elects to participate in the voluntary accelerated rebate
768 pilot program under subsection (d) of section 19 of chapter 25 of the General Laws by January
769 31, 2013 may aggregate rebates in amounts not to exceed 270 per cent of the amount charged to
770 that customer for energy efficiency programs for calendar year 2012; a customer that elects to
771 participate after January 31, 2013 but before January 31, 2014 may aggregate rebates in amounts

772 not to exceed 180 per cent of the amount charged to that customer for energy efficiency
773 programs for calendar year 2012.

774 SECTION 55. Notwithstanding any general or special law or rule or regulation to the
775 contrary, nothing in this act shall apply to any settlement agreement entered into by an electric or
776 gas distribution company and approved by the department of public utilities prior to the effective
777 date of this act.

778 SECTION 56. Section 39 is hereby repealed.

779 SECTION 57. The pilot program created in section 5 shall begin in calendar year 2013.

780 SECTION 58. Section 6 shall take effect on December 31, 2015.