

HOUSE No. 03767

The Commonwealth of Massachusetts

PRESENTED BY:

Bradley H. Jones, Jr. and

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to competitively solicited and cost effective long-term renewable energy contracts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Bradley H. Jones, Jr.</i>	<i>20th Middlesex</i>
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>
<i>David Vieira,</i>	<i>3rd Barnstable</i>
<i>Randy Hunt</i>	<i>5th Barnstable</i>
<i>Peter Durant</i>	<i>6th Worcester</i>
<i>Sheila Harrington</i>	<i>1st Middlesex</i>
<i>Richard Bastien</i>	<i>2nd Worcester</i>
<i>Geoff Diehl</i>	<i>7th Plymouth</i>
<i>Richard J. Ross</i>	<i>Norfolk, Bristol, and Middlesex</i>
<i>Matthew Beaton</i>	<i>11th Worcester</i>
<i>Elizabeth Poirier</i>	<i>14th Bristol</i>

HOUSE No. 03767

By Mr. Jones of North Reading and Senator Tarr, a joint petition (subject to Joint Rule 12) of Bradley H. Jones, Jr., and others relative to competitively solicited proposals from renewable energy developers. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act relative to competitively solicited and cost effective long-term renewable energy contracts.

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. Paragraph 1 of section 83 of chapter 169 of the acts of 2008 is hereby amended by
- 2 striking out the first sentence and inserting in the place thereof, the following sentence:-
- 3 Commencing on July 1, 2009, and continuing for a period of 5 years thereafter, each distribution
- 4 company, as defined in section 1 of chapter 164 of the General Laws, shall be required twice in
- 5 that 5 year period to competitively solicit proposals from renewable energy developers and,
- 6 provided at least three reasonable proposals have been received, enter into cost-effective long-
- 7 term contracts.
- 8 SECTION 2. Paragraph 2 of section 83 of said chapter is hereby amended by striking out the
- 9 third sentence and inserting in the place thereof, the following sentence:-

10 The electric distribution company shall select a reasonable method of soliciting proposals from
11 renewable energy developers.

12 SECTION 3. Paragraph 2 of section 83 of said chapter is hereby amended by striking out the
13 fourth sentence and inserting in the place thereof, the following sentence:-

14 The distribution company may consult with the department of energy resources regarding its
15 choice of contracting methods.

16 SECTION 4. Section 83 of chapter 169 of said chapter is hereby amended by striking out the
17 third paragraph and inserting in the place thereof, the following paragraph:-

18 The department of public utilities and the department of energy resources shall each adopt
19 regulations consistent with this section. The regulations shall: (a) allow renewable energy
20 developers to submit proposals for long-term contracts conforming to the contracting methods
21 specified in the second paragraph; (b) require that contracts executed by the distribution
22 company under such proposals are filed with, and approved by, the department of public utilities
23 before they become effective; (c) provide for an annual remuneration for the contracting
24 distribution company up to 4 per cent of the annual payments under the contract to compensate
25 the company for accepting the financial obligation of the long-term contract, such provision to be
26 determined by the department of public utilities at the time of contract approval; and (d) require
27 that the renewable energy generating source to be used by a developer under the proposal meet
28 the following criteria: (1) have a commercial operation date, as verified by the department of
29 energy resources, on or after January 1, 2008; (2) be qualified by the department of energy
30 resources as eligible to participate in the RPS program, under said section 11F of chapter 25A,
31 and to sell RECs under the program; and (3) be determined by the department of public utilities

32 to: (i) provide enhanced electricity reliability within the commonwealth; (ii) contribute to
33 moderating system peak load requirements; and (iii) be cost effective to Massachusetts electric
34 ratepayers over the term of the contract. As part of its approval process, the department of public
35 utilities shall consider the attorney general's recommendations, which shall be submitted to the
36 department of public utilities within 45 days following the filing of such contracts with the
37 department of public utilities. The department of public utilities shall take into consideration
38 both the potential costs and benefits of such contracts, and shall approve a contract only upon a
39 finding that it is a cost effective mechanism for procuring renewable energy on a long-term basis.
40 For the purposes of this section, cost effective shall mean proposals that are likely to result in net
41 ratepayer savings as compared to current and projected future market prices of energy and RECs
42 over the course of the contract period. If, after competitive solicitation, no proposal received by
43 a distribution company is determined to provide such savings, cost effective shall mean
44 proposals that are the least costly in terms of electric service rates.

45 SECTION 5. Paragraph 4 of section 83 of said chapter is hereby amended by striking out, in the
46 first sentence, the following words:- be obligated to

47 SECTION 6. Paragraph 5 of section 83 of said chapter is hereby amended by inserting in the first
48 sentence, after the word "customers," the following words:- at the contracted price

49 SECTION 7: Paragraph 9 of section 83 of said chapter is hereby repealed.

50 SECTION 8. Sections 1 through 7, inclusive, of this act shall take effect on September 1, 2011.