

HOUSE No. 3992

The Commonwealth of Massachusetts

PRESENTED BY:

Jeffrey N. Roy

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 adoption of the accompanying bill:

An Act to expand customer access to a modern grid.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | DATE ADDED: |
|------------------------------|----------------------|-----------------|
| <i>Jeffrey N. Roy</i> | <i>10th Norfolk</i> | <i>3/2/2023</i> |
| <i>James C. Arena-DeRosa</i> | <i>8th Middlesex</i> | <i>6/8/2023</i> |

HOUSE No. 3992

By Representative Roy of Franklin, a petition (subject to Joint Rule 12) of Jeffrey N. Roy for legislation to expand customer access to a modern grid. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act to expand customer access to a modern grid.

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. Chapter 164 of the General Laws is hereby amended by inserting after
2 section 92C the following 3 sections:

3 Section 92D. Customer access to a modern grid is a right and the public utility obligation
4 to serve customers requires distribution companies to facilitate such access at reasonable costs
5 and on reasonable terms. The capability and accessibility of the Commonwealth’s electrical
6 system must be facilitated by investments in the electric grid that are aligned with the
7 Commonwealth’s ambitious climate, renewable energy, and economic development goals. The
8 implementation and periodic update of grid modernization efforts and formal interconnection
9 standards to ensure fair, reasonable, and transparent customer grid access is essential to the
10 achievement of the Commonwealth’s goals. As distribution companies pursue grid
11 modernization efforts, related technical, operational, policy and regulatory opportunities and
12 challenges must continuously be examined and addressed to ensure non-discriminatory customer

13 access and to achieve the full potential of a modern grid. Establishing frameworks for continuous
14 and collaborative efforts will assist utilities, regulators, distributed energy resource developers
15 and other stakeholders to timely and effectively address these issues. The department shall
16 establish standards to ensure reasonable and timely access to the grid for all customers and to
17 ensure that distribution companies undertake investments and process improvements to facilitate
18 the transformation of the Commonwealth's electrical grid to align with the Commonwealth's
19 ambitious climate, energy, equity and economic development goals.

20 Section 92E. (a) No customer shall be denied the right to interconnect a distributed
21 generation facility, energy storage system or a combined distributed generation facility and
22 energy storage system. The department shall promulgate rules: (i) specifying a limit of the time
23 that may elapse from the date of initial interconnection application to the receipt of an
24 interconnection services agreement for various sizes and types of distributed generation facilities
25 and energy storage systems; (ii) specifying a limit of the time that may elapse from the
26 distribution company's commencement of design of required interconnection-related upgrades
27 and authorization to interconnect for various sizes and types of distributed generation facilities
28 and energy storage systems; and (iii) requiring distribution companies to enable the
29 interconnection of distributed generation facilities and energy storage systems in accordance
30 with the schedule promulgated by the department.

31 (b) Rules adopted by the department under this section shall include: (i) provisions to
32 track the performance of distribution companies under these rules; (ii) mechanisms to ensure
33 compliance by distribution companies with the schedule and rules required by this section
34 including revisions to existing timeline enforcement mechanisms; (iii) mechanisms to enable
35 customers to seek department review and enforcement of the schedule and rules required by this

36 section; and (iv) provisions for expeditiously resolving disputes between customers and
37 distribution companies.

38 (c) The department shall establish a cost allocation framework to implement the electric-
39 sector modernization plans established by section 92B. The electric-sector modernization plans
40 shall identify (i) an amount, in megawatts of alternating current, of incremental grid hosting
41 capacity that will be available to interconnect distributed generation and energy storage systems
42 upon implementation of the plans; and (ii) a proportional share of the benefits of the electric-
43 sector modernization plans that is attributable to distributed generation and energy storage
44 systems. The department shall establish a uniform fee to be assessed to interconnecting
45 customers of system sizes by applying the proportional share of benefits attributable to
46 distributed generation and energy storage to the total number of megawatts of capacity enabled
47 by the plans. This shall result in a dollar amount per kilowatt AC to be assessed to
48 interconnecting customers based on project export capacity for their use of the grid capacity
49 enabled by the plans. Such fee shall be uniform across a utility's service territory regardless of
50 the customer's point of interconnection. Interconnecting customers above 60 kW may be
51 assessed additional interconnection costs for upgrades not included in the approved electric-
52 sector modernization plans.

53 For projects with an export capacity between 60 kW and 500 kW the following
54 standardized interconnection cost allocation shall apply to customers for distributed generation
55 facilities and energy storage systems: (i) no customer shall be charged more than \$100/kW AC
56 of export capacity to interconnect distributed generation facilities and energy storage systems;
57 and (ii) any costs incurred by the distribution company for interconnecting a distributed
58 generation facility or energy storage system that exceed \$100/kW AC of export capacity shall be

59 included in the distribution company's revenue requirement and recovered through the
60 company's rate base.

61 For projects with an export capacity that does not exceed 60kW, the following
62 standardized interconnection cost allocation shall apply to customers for distributed generation
63 facilities and energy storage systems: (i) no customer shall be charged more than \$25/kW AC of
64 export capacity to interconnect distributed generation facilities and energy storage systems; and
65 (ii) such fee shall be inclusive of interconnection costs for upgrades not included in the approved
66 electric-sector modernization plans including, but not limited to, shared service distribution
67 system upgrades; and (iii) any costs incurred by the distribution company for interconnecting a
68 distributed generation facility or energy storage system that exceed \$25/kW AC of export
69 capacity shall be included in the distribution company's revenue requirement and recovered
70 through the company's rate base.

71 (d) The department shall adopt regulations requiring distribution companies to establish
72 procedures to allow distributed generation customers to self-construct interconnection facilities.
73 Such regulations shall direct distribution companies to consider distributed generation customer
74 self-construction of interconnection infrastructure as an option for reducing costs or timelines in
75 all cases.

76 (e) The department shall establish a permanent office of a distributed generation and
77 clean energy ombudsperson to advocate for improvements to distribution company
78 interconnection processes and practices and to receive and facilitate the resolution of disputes
79 between distributed generation customers and the distribution companies. The department shall
80 immediately appoint an ombudsperson to lead such office. The office of the ombudsperson shall

81 be staffed with two or more individuals, one of whom shall be an expert in the interconnection
82 tariff and department precedent and one of whom shall be an expert in technical solutions and
83 standards for interconnecting distributed generation customers. The ombudsperson may
84 recommend that the department impose civil penalties upon a finding that a distribution company
85 has intentionally or negligently violated one or more requirements of the interconnection tariff,
86 that the company has exhibited a pattern or history of violating such tariff, or that the company
87 has failed to provide an acceptable level of customer service for a distributed generation
88 customer or customers. In considering penalties under this section, the ombudsperson and the
89 department shall consider the severity of the violation, the financial impact upon the distribution
90 customer or customers, the distribution company's history of violations and customer service,
91 and other factors that may be relevant to determining the level of penalty that may be
92 appropriate. The department may direct that all or a portion of a penalty take the form of
93 restitution to be paid to an affected distribution customer. Penalties imposed by the department
94 shall be effective upon the date they are imposed.

95 Section 92F. (a) There is hereby established within the department a permanent and open
96 interconnection working group for the purpose of considering improvements to interconnection
97 tariffs and interconnection technical standards and processes. The working group shall be
98 facilitated by the office of the ombudsperson and shall meet no less frequently than 4 times per
99 year.

100 (b) The working group shall study and make recommendations on topics including, but
101 not limited to: (i) cost and best available technology for interconnecting and metering distributed
102 generation, energy storage systems, and other distributed energy resources; (ii) process
103 improvements to improve timeliness and efficiency of distributed generation and storage

104 interconnection; (iii) processes for identifying and achieving distribution system upgrade cost
105 avoidance through the use of advanced inverter functions and other non-wires solutions, along
106 with earning sharing mechanisms for capital investment deferrals; (iv) processes and customer
107 service improvements for interconnecting customers adopting distributed generation and energy
108 storage; (v) revisions to utility interconnection and metering standards that impact distributed
109 energy resources and/or exporting and non-exporting energy storage systems; (vi)
110 implementation of programs, guidelines, and schedules for grid-enabling technologies and
111 platforms such as distributed energy resource management systems; and (vii) without limitation,
112 such other technical, policy, and tariff issues related to and affecting interconnection
113 performance and customer service for distributed generation and energy storage customers in the
114 commonwealth, as determined by the working group. The chairs may jointly create
115 subcommittees of the working group to focus on specific issues of importance, and may invite
116 technical or policy experts to assist the working group in its work.

117 (c) The office of the ombudsperson shall develop and submit a report detailing consensus
118 recommendations of the working group and, if applicable, additional recommendations for which
119 consensus was not reached to the department and the clerks of the house of representatives and
120 senate with recommendations for improvements to interconnection oversight and reporting,
121 interconnection tariffs and such other topics designated to the working group in subsection (b),
122 within 180 days of its first meeting, and every 180 days thereafter. Such report shall include
123 consensus recommendations of the working group and, if applicable, additional
124 recommendations for which consensus was not reached. The department shall within 180 days of
125 the report filing issue an order addressing the recommendations of the working group. The order

126 shall specify those recommendations adopted and explain in detail the reasons for rejecting any
127 recommendations not adopted.

128 SECTION 2. The rules required by subsection (b) of section 92E of chapter 164 of the
129 General Laws shall be promulgated by the department of public utilities within 270 days of the
130 effective date of this act.

131 SECTION 3. The office of the ombudsperson required by section 92E of chapter 164 of
132 the General Laws shall be established by the department of public utilities within 180 days of the
133 effective date of this act.