

HOUSE No. 4385

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, July 31, 2014.

The committee on Ways and Means to whom was referred the Senate Bill relative to credit for thermal energy generated with renewable fuels (Senate, No. 2214), reports recommending that the same ought to pass with an amendment striking all after the enacting clause and inserting in place thereof the text contained in House document numbered 4385.

For the committee,

BRIAN S. DEMPSEY.

The Commonwealth of Massachusetts

In the Year Two Thousand Fourteen

By striking out all after the enacting clause and inserting in place thereof the following:

1 "SECTION 1. Section 3 of chapter 25A of the General Laws, as appearing in the 2012
2 Official Edition, is hereby amended by inserting after the definition of 'State Agency' the
3 following definition:-

4 'Useful thermal energy', energy in the form of direct heat, steam, hot water or other
5 thermal form that is used in production and beneficial measures for heating, cooling, humidity
6 control, process use or other valid thermal end use energy requirements and for which fuel or
7 electricity would otherwise be consumed.

8 SECTION 2. Section 11F¹/₂ of said chapter 25A, as so appearing, is hereby amended by
9 striking out subsections (a) and (b), as so appearing, and inserting in place thereof the following
10 2 subsections:-

11 (a) The department shall establish an alternative energy portfolio standard for all retail
12 electricity suppliers selling electricity to end-use customers in the commonwealth. Every retail
13 electric supplier providing service under contracts executed or extended on or after January 1,
14 2009 shall provide a minimum percentage of kilowatt-hour sales, as determined by the
15 department, to end-use customers in the commonwealth from alternative energy generating
16 sources and the department shall annually thereafter determine the minimum percentage of
17 kilowatt-hour sales to end-use customers in the commonwealth which shall be derived from
18 alternative energy generating sources. For the purposes of this section, 'alternative energy
19 generating source' shall mean a source which generates energy using any of the following: (i)
20 combined heat and power; (ii) flywheel energy storage; (iii) energy efficient steam technology;
21 (iv) any facility that generates useful thermal energy using sunlight, biomass, biogas, liquid
22 biofuel or naturally occurring temperature differences in ground, air or water, whereby 1
23 megawatt-hour of alternative energy credit shall be earned for every 3,412,000 British thermal
24 units of net useful thermal energy produced and verified through an on-site utility grade meter or
25 other means satisfactory to the department; provided, however, that facilities using biomass fuel
26 shall be low emission, use efficient energy conversion technologies and fuel that is produced by

27 means of sustainable forestry practices; or (v) any other alternative energy technology approved
28 by the department under an administrative proceeding conducted under chapter 30A. The
29 following technologies and fuels shall not be considered alternative energy supplies: (A) coal;
30 (B) petroleum coke; (C) oil; (D) natural gas, except when used in combined heat and power or as
31 a biogas generating useful thermal energy; (E) construction and demolition debris, including but
32 not limited to chemically treated wood; and (F) nuclear power.

33 (b) The department, in consultation with the department of environmental protection,
34 shall set: (i) emission performance standards that are protective of public health, including
35 standards for eligible biomass, biogas and liquid biofuel technologies that limit eligibility only to
36 best-in-class commercially-feasible technologies, inclusive of energy conversion and emissions
37 controls, with regard to reducing emissions of particulate matter sized 2.5 microns or less and
38 carbon monoxide and other air pollutants; (ii) for eligible biomass, biogas and liquid biofuel
39 technologies, a requirement of 50 per cent reduction in life-cycle greenhouse gas emissions
40 compared to a high efficiency unit utilizing the fuel that is being displaced or, for a new load, a
41 high-efficiency natural gas unit, if natural gas is available at reasonable cost to the site or
42 otherwise the fuel that is most likely to be utilized; (iii) for eligible biomass, biogas and liquid
43 biofuel technologies, requirements for thermal storage or other means to minimize any
44 significant deterioration of efficiency or emissions due to boiler cycling, if feasible; (iv) for
45 eligible biomass, biogas and liquid bio-fuel technologies, fuel conversion efficiency performance
46 standards achievable by best-in-class commercially-feasible technologies; and (v) in consultation
47 with the department of conservation and recreation, for forest-derived biomass, requirements that
48 fuel shall be provided by means of sustainable forestry practices; provided, however, that the
49 department shall adopt any existing or new biomass fuel sustainability standards if deemed
50 appropriate by the department after a public comment process.

51 SECTION 3. Said section 11F½ of said chapter 25A, as so appearing, is hereby further
52 amended by adding the following subsection:-

53 (e) Notwithstanding the determination that 1 alternative energy credit is to be earned per
54 3,412,000 British thermal units in subsection (a), the department may provide that for certain
55 nonemitting renewable thermal technologies, an alternative energy credit shall be earned for less
56 than 3,412,000 British thermal units of net useful thermal energy so as to stimulate the
57 development of new on-site renewable thermal energy generating sources.

58 SECTION 4. Subsection (f) of section 1A of chapter 164 of the General Laws, as so
59 appearing, is hereby amended by striking out, in line 196, the figure '2015' and inserting in place
60 thereof the following figure:- 2016.

61 SECTION 5. Subsection (f) of section 139 of chapter 164 of the General Laws, as so
62 appearing, is hereby amended by striking out, in line 68, the figure '3' and inserting in place
63 thereof the following figure:- 4.

64 SECTION 6. Said subsection (f) of section 139 of chapter 164, as so appearing, is hereby
65 further amended by striking out, in line 70, the figure ‘3’ and inserting in place thereof the
66 following figure:- 5.

67 SECTION 7. (a) There shall be a net metering task force established to review the long-
68 term viability of net metering in the commonwealth and develop recommendations on incentives
69 and programs that will support the deployment of 1600 MW of solar generation facilities in the
70 commonwealth. The task force shall report on its findings and make recommendations to the
71 legislature to encourage the continued expansion of solar generation in the commonwealth.

72 The task force shall consist of 17 members or their designees: 1 of whom shall be the
73 chair of public utilities, who shall serve as co-chair; 1 of whom shall be the commissioner of
74 energy resources, who shall serve as co-chair; 1 of whom shall be the attorney general in the role
75 of the commonwealth’s ratepayer advocate; 2 of whom shall be the co-chairs of the joint
76 committee on telecommunications, utilities and energy, 1 of whom shall be appointed by the
77 senate minority leader; 1 of whom shall be appointed by the house minority leader; 4 of whom
78 shall be appointed by the governor from a list of persons submitted by the following
79 organizations and associations, the Massachusetts Municipal Association, the Associated
80 Industries of Massachusetts, the National Consumer Law Center, the New England Clean Energy
81 Council; and 6 of whom shall be appointed by the governor, a representative from a solar energy
82 business association serving members actively doing business across a broad cross-section of the
83 commonwealth’s solar market, a representative of a Massachusetts renewable energy business
84 association encompassing multiple renewable portfolio standard eligible technologies, a
85 representative of a solar business primarily serving residential customers in urban areas, a
86 representative of large electric users, and 2 representatives of Massachusetts investor owned
87 utilities. A vacancy on the task force shall be filled in the manner in which the original
88 appointment was made. Members of the task force shall receive no compensation for their
89 services. The task force may request from all state agencies such information and assistance as
90 the task force may require.

91 (b) The task force shall assess and report to the legislature on the costs and benefits of the
92 existing net metering framework from the perspectives of the customer-generator, non-
93 participating ratepayers, and the citizens of the commonwealth at large. The task force shall
94 meet periodically and shall consult with additional electric distribution companies, consumer
95 organizations, renewable energy businesses residing in the commonwealth and other interested
96 parties as required and shall provide for at least 2 opportunities for public comment in different
97 geographical areas of the commonwealth.

98 (c) The task force shall convene its first meeting on or before October 1, 2014, and shall
99 submit its report, along with any recommendations for legislative or regulatory reforms, on or
100 before March 31, 2015, with the clerks of the house of representatives and the senate who shall

101 forward a copy of the report to the house and senate chairs of the joint committee on
102 telecommunications, utilities and energy.

103 (d) The task force shall be dissolved within 180 days of submission of the final
104 commission report pursuant to subsection (c) of this section.

105 SECTION 8. The department of public utilities, in consultation with the Bay State
106 Hydropower Association, shall study the feasibility, impacts and benefits of allowing electric
107 distribution company customers to net meter electricity generated by small hydroelectric
108 facilities. After completing its analysis, the department shall develop a report for net metering
109 by such hydroelectric facilities or any subset thereof. The department shall submit a copy of its
110 report and a draft of legislation to implement its recommendations not later than July 1, 2015, to
111 the clerks of the house of representatives and the senate who shall forward a copy of the report to
112 the joint committee on telecommunications, utilities and energy.

113 SECTION 9. Sections 1 through 3 of this act shall take effect on January 1, 2015.".