

**HOUSE . . . . . No. 4756**

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House bill No. 4738, as changed by the committee on Bills in the Third Reading, and as amended and passed to be engrossed by the House. July 12, 2018.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
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An Act to increase renewable energy and reduce high-cost peak hours.

*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. Section 3 of chapter 25A of the General Laws, as appearing in the 2016  
2 Official Edition, is hereby amended by inserting after the definition of “Building authority” the  
3 following 2 definitions:-

4           “Clean peak certificate”, a credit received for each megawatt hour of energy or energy  
5 reserves provided during a seasonal peak period that represents a compliance mechanism.

6           “Clean peak resource”, a qualified RPS resource, a qualified energy storage system or a  
7 demand response resource, which generates or provides electricity to the electric distribution  
8 system during seasonal peak periods.

9           SECTION 2. Said section 3 of said chapter 25A, as so appearing, is hereby further  
10 amended by inserting after the definition of “Commissioner” the following definition:-

11           “Demand response resource”, changes in electric usage by end-use customers in the  
12 commonwealth from their normal consumption patterns in response to (a) changes in the price of

13 electricity over time, including, but not limited to time-of-use rates for residential and small  
14 commercial and industrial customers or (b) incentive payments designed to induce lower  
15 electricity use at times of high wholesale market prices or when system reliability is jeopardized.

16 SECTION 3. Said section 3 of said chapter 25A, as so appearing, is hereby further  
17 amended by inserting after the definition of “Petroleum products” the following definition:-

18 “Qualified energy storage system”, an energy storage system, as defined in section 1 of  
19 chapter 164, that commenced commercial operation, or installed incremental new capacity at an  
20 existing energy storage system, as defined in section 1 of chapter 164, on or after January 1,  
21 2019; provided however, that such system utilizes renewable energy, as defined in said section 1  
22 of said chapter 164.

23 SECTION 4. Said section 3 of said chapter 25A, as so appearing, is hereby further  
24 amended by inserting after the definition of “Qualified provider” the following definition:-

25 “Qualified RPS resource”, a renewable energy generating resource, as defined in  
26 subsection (c) or (d) of section 11F, that has (a) installed a qualified energy storage system at its  
27 facility or (b) commenced commercial operation on or after January 1, 2019.

28 SECTION 5. Said section 3 of said chapter 25A, as so appearing, is hereby further  
29 amended by inserting after the definition of “Responsive offeror” the following definition:-

30 “Seasonal peak periods”, the daily time windows during any of the 4 annual seasons  
31 when the net demand of electricity is the highest; provided however, that a seasonal peak period  
32 shall be no less than 1 hour and no longer than 4 hours in any season, as determined by the  
33 department.

34 SECTION 6. Section 11F of said chapter 25A, as so appearing, is hereby amended by  
35 striking out, in lines 16 and 17, the words “and (3) an additional 1 per cent of sales every year  
36 thereafter” and inserting in place thereof the following words:- (3) an additional 1 per cent of  
37 sales each year thereafter until July 31, 2019; (4) an additional 2 per cent of sales each year  
38 thereafter until July 31, 2029; and (5) an additional 1 per cent of sales every year thereafter. Each  
39 annual increase shall be prospective for new customer contracts entered into by the retail  
40 electricity suppliers after the increase goes into effect.

41 SECTION 7. Chapter 25A of the General Laws, is hereby further amended by adding the  
42 following section:-

43 Section 17. (a) The department shall establish a clean peak standard for all retail  
44 electricity suppliers selling electricity to end-use customers in the commonwealth. By December  
45 31, 2018 the department shall determine the current percentage of kilowatt-hours sales to end-use  
46 customers in the commonwealth from existing clean peak resources during the seasonal peak  
47 load hours to establish a baseline minimum percentage of kilowatt-hours sales to end-use  
48 customers that must be met with clean peak certificates beginning on January 1, 2019. Each year  
49 thereafter, every retail electricity supplier in the commonwealth shall provide a minimum  
50 percentage of at least an additional 0.25 per cent of sales by retail electricity suppliers in the  
51 commonwealth that must be met with clean peak certificates, as determined by the department.  
52 The initial application of this requirement and each annual increase shall be prospective for new  
53 customer contracts entered into by the retail electricity suppliers after the increase goes into  
54 effect.

55 (b) A qualified RPS resource may generate both a clean peak certificate and a renewable  
56 energy certificate under section 11F of this chapter for electricity generated and delivered to the  
57 electric grid during a seasonal peak period.

58 (c) The department shall promulgate regulations to implement this section, including, but  
59 not limited to: (i) the establishment of seasonal peak periods; (ii) the methodology by which  
60 clean peak certificate values shall be established, which may include a process by which electric  
61 distribution companies competitively procure clean peak certificates from clean peak resources  
62 and enter into long-term contracts, subject to the approval of the department of public utilities;  
63 (iii) the establishment of a minimum percentage of clean peak certificates that must be derived  
64 from demand response resources; (iv) an alternative compliance mechanism for retail electricity  
65 suppliers; and (v) the procedures by which each retail electricity supplier shall annually submit  
66 for the department's review a filing demonstrating its compliance with the requirements of this  
67 section.

68 (d) This section shall not apply to municipal lighting plants.

69 SECTION 7A. Notwithstanding any general or special law to the contrary, the  
70 department of energy resources shall investigate the necessity, benefits and costs of requiring  
71 distribution companies, as defined in section 1 of chapter 164 of the General Laws, to conduct  
72 additional offshore wind generation solicitations and procurements of up to 1,600 megawatts of  
73 aggregate nameplate capacity, by December 31, 2035 in addition to those required by chapter  
74 169 of the Acts of 2008, as amended by chapter 188 of the Acts of 2016. The department shall  
75 determine whether additional solicitations and procurements are necessary to meet the  
76 commonwealth's energy policy goals, including the goals of chapters 169 and 298 of the Acts of

77 2008. The department shall make recommendations that include, but are not limited to: (i)  
78 improvements to the procurement process outlined in chapter 188 of the acts of 2016; (ii) the  
79 effect on commercial fisheries and operations; (iii) the impact on ratepayers, including  
80 distribution customers; and (iv) the potential economic benefits of such a procurement. The  
81 department shall file the report with the house and senate clerks and the joint committee on  
82 telecommunications, utilities and energy no later than July 31, 2019.

83 SECTION 8. Section 17 of chapter 25A is hereby repealed.

84 SECTION 9. Section 8 shall take effect on January 1, 2051.