

Senate Bill S2564 would **amend** MGL Chapter 139, Section 164(j)

(j) Distribution companies may submit to the department proposals for a monthly minimum reliability contribution to be included on electric bills for distribution utility accounts that receive Class I, Class II, Class III, or market net metering credits pursuant to this section, subject to the review and approval of the department. Any such minimum contributions shall ensure that all distribution company customers contribute to the fixed costs of ensuring the reliability, proper maintenance and safety of the electric distribution system; **provided, however, that a distribution company shall not assess a demand charge unless it is a charge based on demand during a predetermined portion of the hours of a day defined as peak hours of system demand and unless the distribution company has informed all of its customers of the manner in which any such demand charges are assessed; and provided further, that a distribution company shall only assess a demand charge if metering functionality or technology is available to the customer at a reasonable cost to provide the customer with near real time access to electricity usage data.** Proposals shall be filed with the department in: (i) the distribution company's base distribution rate proceeding; or (ii) a revenue neutral rate design filing that is supported by appropriate cost of service data across all rate classes. The department may approve a monthly minimum reliability contribution that: (i) equitably allocates the fixed costs of the electric distribution system not caused by volumetric consumption; (ii) does not excessively burden ratepayers; (iii) does not unreasonably inhibit the development of Class I, Class II, Class III facilities; and (iv) is dedicated to offsetting reasonably and prudently incurred costs necessary to maintain the reliability, proper maintenance and safety of the electric distribution system.

The department may only approve a proposal for a monthly minimum reliability contribution after the aggregate nameplate capacity of installed solar generating facilities in the commonwealth is equal to or greater than **1,600 megawatts***. The department shall conduct a full adjudicatory proceeding when reviewing proposals for a monthly minimum reliability contribution, which shall include at least 1 public hearing and an opportunity for public comment.

The department may exempt or modify any monthly minimum reliability contribution for low-income ratepayers. The department may also exempt, for any period through the year 2020, any class or sub-class of Class I, Class II, or Class III net metering facilities that were in service not later than December 31, 2016 from any minimum reliability contribution. Minimum monthly reliability contributions shall take effect on such date designated by the department; ~~provided that, the date designated by the department shall be not later than December 31, 2018.~~ The department may approve changes to the monthly minimum reliability contributions for individual electric distribution companies in any future base distribution rate proceeding, consistent with this section.

*MASOA is seeking House to amend to 3200 megawatts based on Governor's goal for new solar growth target.