Compromise solar ‘net metering’ bill OK’d

By RICHIE DAVIS
Recorder Staff
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The Legislature’s late-night closing session kept the sun from shining on a sweeping bill that would have changed incentives for solar-powered electric generation in Massachusetts.

A last-minute compromise in the House Ways and Means Committee moved forward controversial “Net Metering and Solar Power” legislation — but not far. All that remained of the measure was a slight raising of a cap on photovoltaic projects to keep municipal and home solar projects from stalling entirely.

Meanwhile, the Legislature will look more closely into the issue of how much solar-generated power should be allowed onto the utility grid for free. The so-called net-metering system allows solar electric generators to move power onto the grid to offset their electric bill or earn money back from their electric supplier.

The bill passed by the House Thursday evening would lift the cap on public projects from 3 percent to 5 percent of a utility’s total power generation, while the cap for private projects would rise to 4 percent, but there was no action on a proposed comprehensive overhaul of the state’s system to facilitate solar energy projects — an overhaul that had drawn stiff criticism in

Franklin County from owners of photovoltaic systems and those planning to install them.

The compromise, which also was approved in the Senate, would create a task force to study the long-term feasibility of net metering in Massachusetts and Gov. Deval Patrick's stated goal of installing 1,600 megawatts of solar energy by 2020.

"There was quite an uproar, particularly in Franklin County," said Rep. Stephen Kulik, D-Worthington, who is vice chairman of Ways and Means. "I heard from dozens and dozens of people who had already installed solar, and people who were planning to."

While his constituents favored raising the 6 percent cap of peak load that each utility is required to buy from photovoltaic projects, they opposed a number of other provisions of the legislation, which was drafted by a panel that included utilities, several environmental organizations and the Solar Energy Industries Association but excluded dealers and installers of small-scale solar systems.

The proposal would have limited systems to only on-site electrical demands rather than allowing excess power to be allocated to friends and family and halve the "virtual net metering" rates for community shared solar projects, according to Greenfield Solar Store co-owner Claire Chang.

Chang said she was happy that the bill that passed eliminated many of the onerous provisions, including one that set a minimum monthly bill for even those utility customers who generate all of their own electricity. Utilities said the billing is necessary to cover the expense of maintaining their delivery

infrastructure.

“The Legislature listened to its constituents and heard there was no opportunity for public input on the bill,” Chang said, adding that the increase in the cap is “miniscule ... and gave everyone some slight breathing room, maybe until 2015.

Patrick had called for legislation to be passed this session to avoid hitting the cap and stalling growth within an industry that has created thousands of jobs in the past several years. He was also hoping to codify his solar goals into statute to avoid the risk of the next administration scaling back his ambition.

“Massachusetts leads the nation in clean energy and energy efficiency because of this Administration’s policies and strong partnership with the Legislature,” the governor said in a statement earlier this week. “This bill will ensure that we continue to be a leader. By eliminating the cap on net metering and enshrining in statute our commitment to achieve 1,600 MW of solar by 2020, this bill will reduce ratepayer costs and greenhouse gas emissions, create jobs, and spur growth in the clean energy industry in Massachusetts.”

Public solar installations are bumping up against the cap, while there is still some room under the private cap, according to stakeholders.

Earlier this summer, National Grid, representatives from the solar industry and the Department of Energy Resources announced that they had come to agreement on a complex new system for solar energy that would replace the current strategy of trading what are known as solar renewable energy credits on an open marketplace and avoid having to repeatedly return to the Legislature seeking approval for additional solar cap space.

The proposal would have established a flat rate for solar energy that officials hoped would make financing projects easier and more predictable.

John Ward, Chang's husband and co-owner of the Solar Store, said utilities originally proposed doing away with the cap entirely, and the decision to raise it by only 1 or 2 percent is a way to keep the pressure on when a newly created advisory group returns with a new proposal next March.

Most systems sold by the Greenfield store are below the proposed legislation's 25 kilowatt minimum, so they wouldn't have been affected anyway.

Bill Sillinger of the Pioneer Valley Photovoltaics cooperative said in a written statement, "The new law will no doubt prompt a vigorous round of public debate about the long-term prospects for solar energy in Massachusetts. We are concerned over the intransigence of utility companies who apparently view solar energy as a business threat, rather than part of an important solution to our current fragile energy dependence on carbon-rich fuels and stable global politics."

He added, "What's most important to us at PV Squared is the health of our business, our customers, our employees, and to preserve the ability of the communities we serve to install solar projects to sustain the health of our shared environment."

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