



**Office of
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Commonwealth of Massachusetts**

For Immediate Release

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April 6, 2016

Representative Kane supports net metering compromise to advance solar projects

BOSTON – State Representative Hannah E. Kane (R-Shrewsbury), has endorsed a proposal to promote more solar energy generating projects in Massachusetts by raising the state’s net metering cap. The bill passed the House today on a vote of 154-1.

House Bill 4173, An Act relative to solar energy, was reported out of a six-member conference committee on April 5. The bill reflects a compromise between two differing net metering proposals that were previously approved by the House and Senate.

“I’m pleased to support this bill, which not only encourages the expansion of solar energy in Massachusetts, but also implements a number of cost-saving measures to protect ratepayers,” said Representative Kane.

Under the conference committee proposal, the state’s net metering caps will be raised by 3 percent of the utilities’ peak load for both public and private projects. Private net metering caps will increase from 4 percent to 7 percent, while public net metering caps will increase from 5 percent to 8 percent.

Massachusetts currently provides financial incentives to solar power generators by allowing businesses and municipalities to sell excess solar energy they generate but don’t use back to the grid at retail rates, which currently average about 21 cents per kilowatt hour. The conference committee proposal calls for moving to a new “market net metering credit” equal to 60 percent of the full retail rate for all projects – or about 12 cents per kilowatt hour – but includes a carve-out so that residential, small commercial, and solar facilities owned by municipalities and government entities will continue to receive the full retail rate.

The bill grandfathers in existing solar facilities that were previously approved by the Department of Energy Resources to receive solar renewable energy credits (SRECs). These facilities will continue to receive credits at the higher retail rate for 25 years before transitioning to the new rate.

House Bill 4173 also allows utility companies to offset the costs of maintaining their infrastructure by submitting proposals to the Department of Public Utilities (DPU) to establish a monthly minimum reliability contribution for customers who receive net metering credits. This will ensure that all

ratepayers using the distribution system are helping to pay for the maintenance, reliability and safety of the electric grid.

When reviewing these proposals, DPU must take steps to ensure that they allocate fixed costs equitably, do not excessively burden ratepayers, do not inhibit solar development, and are used to offset the costs of maintaining the electric grid. DPU is also authorized to exempt or modify the minimum contribution for low income ratepayers and to adjust the minimum contribution in the future.

As a further incentive for ratepayer savings, the bill also includes provisions requiring the Department of Environmental Resources to adopt rules and regulations that will lower the cost to ratepayers of solar incentive programs. These incentive programs must encourage the continued development of solar renewable energy generating sources by residential, commercial, governmental, low-income, and industrial electricity customers.

The conference committee report now heads to the Senate for a vote.

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