

H4385:

AN ACT TO PROMOTE ENERGY DIVERSITY

(summary reflects text as redrafted)

SPONSOR:

Joint Committee on Telecommunications, Utilities and Energy

LEGISLATIVE

06/08/16 H4377, published as amended

HISTORY:

06/13/16 Read and referred to the Committee on Senate Ways and Means

06/23/16 Order relative to subject matter adopted, placed in the Orders of the Day for Thursday, June 30, 2016

EXISTING LAWS

AFFECTED:

G.L. c. 13 §97A; c.25A §11F; c.25A §11F½

PROPOSED

LEGISLATION:

- Requires the results of a home energy audit to be made available at the time of listing of sale of single-family residential dwellings, multi-family dwellings with less than 5 units and for condominiums.
- Requires the Department of Energy Resources to establish a home energy rating and labeling system providing information related to energy consumption, energy costs, and greenhouse gas emissions.
- Requires, beginning on January 1, 2018, a home energy rating and labeling system score, to be developed by the Department of Energy Resources which includes information about a dwelling's energy costs, energy consumption and greenhouse gas emissions, to be made available at the time of listing of sale of single-family residential dwellings, multi-family dwellings with less than 5 units and for condominium units.
- Beginning on January 1, 2017, increases the percentage of Class I renewable energy that must be purchased by retail electric suppliers under the Renewable Energy Portfolio Standard from an additional 1% annually to an additional 2% annually.
- Adds "waste-to-energy" and "fuel cells" to the Alternative Portfolio Standard.
- Requires distribution companies to solicit proposals for offshore electric generating resources derived from wind that is both a Class I source and has a commercial operation date on or after

January 1, 2018.

- Requires at least 3 solicitations through a staggered procurement schedule, developed by the distribution companies and the Department of Energy Resources, to procure cost effective 15-20 year contracts for approximately 2,000 megawatts of aggregate nameplate capacity not later than June 30, 2030.
- Requires the first solicitation to be issued on or before October 1, 2017 and to seek approximately 400 megawatts of aggregate nameplate capacity.
- Requires the levelized cost of energy and the net present value of the contract price of each subsequent procurement to be less than the prior procurement.
- Authorizes offshore wind developers to submit proposals for offshore wind energy generating resources paired with an energy storage system.
- Requires proposals for offshore wind energy generation to mitigate environmental impacts and promote economic development.
- Authorizes the Department of Public Utilities to enter into data sharing agreements with offshore wind developers to provide observations relative to modeling and monitoring of meteorological, oceanographic and other environmental characteristics.
- Requires the Department of Energy Resources and the Attorney General to jointly select an independent evaluator to monitor the solicitation and bid selection process to ensure a fair and objective process.
- Requires a proposed long term contract for offshore wind energy generating resources to be reviewed and approved by the Department of Public Utilities if the proposed contract is cost-effective, considering costs and economic and environmental benefits as well as federal and state environmental requirements.
- Requires a unit-specific tracking system that utilizes reasonable estimates of life-cycle greenhouse gas emissions to ensure an

accounting of the energy delivered pursuant to the offshore wind energy contract and ensures accurate measure of the commonwealth's progress in achieving the goals under Chapter 298 of the Acts of 2008 and Chapter 21N of the General Laws.

- Requires distribution companies to solicit proposals for clean energy generation consisting of hydroelectric generation, new Class I renewable portfolio standard eligible resources firmed with hydroelectric generation, or new Class I renewable portfolio standard eligible resources.
- Requires at least 1 solicitation through a procurement schedule, developed by the distribution companies and the department of energy resources, to procure cost effective 15-20 year contracts for not more than 12,450,000 megawatt-hours of clean energy generation not later than December 31, 2018.
- Requires the first solicitation to be issued before April 1, 2017.
- Authorizes clean energy generation developers to submit proposals for clean energy generation paired with an energy storage system.
- Requires developers of clean energy generation resources to submit proposals that include transmission costs in the proposal and that protect ratepayers from transmission cost overruns.
- Requires proposals for clean energy generation to mitigate environmental impacts and promote economic development.
- Requires the Department of Public Utilities to give preference to proposals that include both hydroelectric generation and new Class 1 eligible resources and to give preference to proposals that include firm service.
- Requires the Department of Energy Resources and the Attorney General to jointly select an independent evaluator to monitor the solicitation and bid selection process to ensure a fair and objective process.
- Requires a proposed long term contract for clean energy generation resources to be reviewed and approved by the Department of Public Utilities if the proposed contract is cost-

effective to ratepayers over the term of the contract by providing reliability and economic and environmental benefits that outweigh costs.

- Requires a distribution company to retain renewable energy certificates received pursuant to a clean energy generating resources long term contract if the renewable energy certificates are not attributable to Class I renewable portfolio standard eligible resources.
- Requires a unit-specific tracking system that utilizes reasonable estimates of life-cycle greenhouse gas emissions to ensure an accounting of the energy delivered pursuant to the clean energy resources contract and ensures accurate measure of the Commonwealth's progress in achieving the goals under Chapter 298 of the Acts of 2008 and Chapter 21N of the General Laws.
- Requires the Department of Energy Resources to consider setting appropriate targets for electric companies to procure cost-effective energy storage systems.
- Creates an energy efficiency task force to develop recommendations and proposed statutory changes for the creation of a successor energy efficiency program.
- Requires the Department of Energy Resources, in consultation with the Department of Public Utilities, to conduct a study on modernizing the electric grid with the goal of reducing demand, reducing energy costs, integrating distributed energy resources, reducing carbon emissions and enhancing reliability.
- Creates a renewable energy infrastructure task force to examine industry gaps in financing clean and renewable energy infrastructure projects.

ESTIMATED

COST:

This legislation has no cost to the Commonwealth.

(JB)