

SENATE ENERGY REFORM DRAFT PROPOSAL

Section by Section Summary

Section	Issue	Summary
1	State-owned vehicles	Requires as new cars as transitioned into the state fleet, they must have above average fuel efficiency for their size as determined by federal standards. Exception where the vehicle would not be able to perform its required duties.
2	State building construction	Requires DCAM to mandate that new construction or renovations of over \$25,000 of facilities owned or operated by the Commonwealth utilize energy efficiency, water conservation, or renewable technologies utilizing listed criteria.
3	Rate Payer Advocate	Codifies the existing office of the rate payer advocate within the AG's office to intervene in proceedings affecting ratepayers.
4	Home energy Score	Requires the board of registration of home inspectors to adopt regulations establishing a home energy scoring system at time of sale for single family or multi-family dwellings with less than 5 units.
5	Green Communities	Establishes the Green Communities program to be implemented by EOEEA and MTC for those communities who wish to implement comprehensive programs to reduce greenhouse emissions, through efficiency, renewables, transportation, and other strategies. Building codes, bonds.
6	Energy procurement	Authorizes EOEEA and ANF to develop a competitive bidding process for procurement of electric generation.
7	DPU Audits	Requires DPU to conduct periodic audits on companies it regulates, and upon written complaint by AG
8	Steam Distribution	Authorizes the commission to assess steam distribution companies under control of DPU and requires annual reports by the companies on intrastate operating revenues.
9	Efficiency Assessment	DPE shall institute a 2.5 mills per kW/hr charge for all consumers (except munis) to fund efficiency programs, including demand side management - to be administered by the electric companies. Also authorizes DPU to approve gas efficiency programs, also including demand side management - to be administered by the gas companies. DPU shall ensure that these programs are cost-efficient and utilizing competitive procurement. Fund shall be administered by DOER and at least 30% of the funds shall support low income residential demand side management and education programs.
10	Munis - MRET	Allow munis the option of contributing into and accessing the Renewable Trust Fund.

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11	Efficiency First	The commonwealth's gas and electric needs shall be met through efficiency and demand reduction resources. Also requires that beginning March 31, 2008 and every 3 years that electric discos and muni aggregators with certified efficiency plans shall jointly prepare and electric efficiency investment plan, and natural gas discos shall prepare a natural gas plan. Each plan shall meet the listed requirements and shall provide for acquisition of all available efficiency and demand reduction resources that are cost effective and prepared in coordination with the Energy Efficiency Advisory Council. If efficiency goals are not met, than MTC shall collect an assessment (formula). Establishes the EEA Council (12 members appt'd by DPU).
12	Technical	Adds definition of "energy savings" to chapter 25A
13	Technical	Changes committee reference to TUE
14	Technical	Repeals section 10 of chapter 25A
15	Renewable Portfolio Standard (RPS)	Adds a new class II to address existing facilities, and gives DOER discretion to set requirements.
16	Alternative Portfolio Standard (APS)	Creates a new alternative portfolio standard that includes coal gasification, flywheel storage, plasma gasification, combined heat and power, any facility that substitutes its fossil fuel source with an equal or greater amount of alternative paper-derived fuel source approved by DEP, or any other technology approved by the division after a 30A hearing. This section requires that coal gasification technology must have the ability to permanently capture and sequester carbon and the division shall set emission performance standards
17	Renewable Generation Netting	Controls how renewable generation is imported into ISO-NE and ensures that those renewable credits are reduced by any exports of energy made during the same period to that person or to any affiliate or contractual party of that person.
18	Technical	Changes committee reference to TUE
19	State Energy Management Services	Establishes under DCAM 2 processes for state entities to procure energy management services

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20	MA Tech Collaborative (MTC) Lease period	Extends lease period from 5 to 30 years.
21	MA Renewable Energy Trust Fund (MRET)	Expands use of monies to include energy conservation and efficiency
22	MRET	Broadens board's authority to include all those the board deems appropriate to serve the public purpose of the fund
23	MRET	Includes energy efficiency in list of programs to be funded
24	MRET	Broadens board's authority to include all those the board deems appropriate to serve the public purpose of the fund
25	MRET	Amends paragraph to include promotion of energy efficient buildings in schools, housing authorities
26	MRET	Authorizes use of \$3 million annually for grants or loans for upgrades to vintage hydro facilities.
27	MTC Oversight	Establishes an oversight board and reporting requirement on funding on MRET.
28	MTC Reporting Requirement	Requires MTC to submit to the HWM, SWM, EDET, and TUE updates on the 5 year strategic plan for MRET and its admin
29	MRET	Enables MRET money to be used as security for a loan.
30	MTC Borrowing	Enables MTC to borrow against the mandatory charges that come into MRET
31	MTC Borrowing	Enables MTC to borrow against the mandatory charges that come into MRET
32	MTC Borrowing	Enables MTC to borrow against the mandatory charges that come into MRET
33	MTC Powers	Expands borrowing powers
34	MTC Powers	Expansion of existing land bank consultation language
35	Municipal Lease	Extension of financing term for municipalities for efficiency, alternative, or renewable improvements from 10 to 20 years.

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36	Cellulosic Ethanol Tax Exemption	Provides for an exemption for ethanol blends from the gas tax.
37	Cellulosic Ethanol Tax Exemption	Adds definitions relating to cellulosic ethanol.
38	Home Energy Score	Adds home energy score to the definition of "home inspection"
39	International Energy Conservation Code	Requires local building inspectors to have a general knowledge of the energy requirements as part of the IECC .
40	International Energy Conservation Code	Exempts the IECC from the board's ability to interpret and modify parts of the building code.
41	International Energy Conservation Code	Requires State Board of Regulations and Standards to adopt, within one year of its being updated, the latest edition of the International Energy Conservation Code as part of the State Building Code. (the IECC is updated every 3 years)
42	Technical	Clarified that DTC shall enforce chapter 159 (common carriers) with respect to telecomm, and DPU with respect to everything else.
43	Chapter 164 (Electric and Gas Companies)	Rewrites definition section
44	Repeal	Sunsets the section that allows electric companies to own renewable generation
45	Renewable Generation	Allows elec companies and discos to own or operate generation facilities, but only for renewables up to 25 MW for the first year and 50 the second and thereafter. Requires them to file with DPU and DPU must assess the program by 2012, and this is sunseted at that time.

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46	Competitive Suppliers	Requires notification of competitive electric suppliers at time of change of utility service, move, or inquiry into efficiency or rates.
47	Efficiency Procurement	Allows for DPU inclusion of successful implementation of efficiency procurement plans in determining performance based rates,
48	Service Quality Standards and Capital Plans	Each distribution company is required to file an annual report w/DPU comparing its performance for the previous year to the DPU's service quality standards and any applicable national standards. DPU may levy up to 2% of company's service in fines for failure to meet standards. Each disco shall also be required to file a capital spending plan, including information on the previous year's spending, and DPU is authorized to levy up to 2% of transmission and distribution revenues after DPU has investigated and determined the disco has not met its burden in complying with its capital plan. This 2% would be over and above any fee levied for failure to meet service quality standards.
49	Technical	Strikes out 2nd and 4th paragraphs of Section 1F to make a correct reference to basic service.
50	Low income Discount Rates	Ensures that residential customers eligible for low income discount rates receive service on demand, and requires discos to periodically notify all customers of the availability and method for obtaining low income discounts.
51	Technical	Changes committee reference to TUE
52	Muni-owned Companies	Clarifies that energy related services of muni-owned companies are separate activities from muni generation supply services.
53	Steam Distribution	Clarifies that companies subject to plant damage system administration includes steam distribution companies.
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55	Performance Standards for Utilities	Requires DPU to adopt inspection, maintenance, repair, and replacement standards for electric and gas discos, require them to keep detailed inspection and maintenance records, and submit annual compliance reports to DPU. Also requires DPU to ensure compliance with these standards and authorizes the imposition of appropriate sanctions.

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56	Mergers	Requires DPU oversight of mergers at a holding company level and a determination that any merger is within the public interest, but exempts wholesale generation companies.
57	Meter Reading	Updates meter readings for utility company practices
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59	Meter Reading	Updates meter readings for utility company practices
60	Meter Reading	Updates meter readings for utility company practices
61	Shutoffs	Prohibits gas or electric companies from failing to restore service after receipt of full or partial payment, and in the instance of low income customers if they pay 25% of arrears. They must also payment plans of not less than 4 months and a down payment of not more than 25%.
62	Technical	Makes a correct reference to basic service
63	Technical	Replaces standard offer with new relevant term of basic service (electricity).
64	Technical	Replaces standard offer with new relevant term of basic service (electricity).
65	Netmetering - Muni Generation - Distributed Generation - On- site generation	<p>(sections 138-140) Increase renewable generation in the Commonwealth through the encouragement of small, behind-the-meter wind and solar generation not greater than 2 MW; allow for energy credits for generation to be transferred to different electric accounts, and “neighborhood” metering where credits for renewable generation are shared among local households.</p> <p>(section 141) increase encouragement of on-site generation at DPU level.</p> <p>(section 142) increase encouragement of distributed generation, combined-heat and power.</p> <p>(section 143) establishes provisions by which municipalities may install/own/operate generation.</p>
66	Steam Distribution Companies	Establishes a new chapter to give DPU oversight of steam distribution companies.
67	Technical	Corrects references from the Governor's reorganization

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68	Technical	Makes a reference change to the correct section for energy mangament services.
69	Technical	Makes a reference change to the correct section for energy mangament services.
70	Existing Energy Agreements	Allows local authorities to amend existing energy service agreements to include additional structures without having to undergo a new RFP process.
71	Long Term Contracts	Establishes a 5 year pilot in which electric companies shall enter into long term contracts of 10-15 years with renewable generators.
72	Energy Pay and Save	Establishes a pay and save pilot program to allow utility customer to purchase and install renewable generation products by paying over time through their utility bills
73	Smart Grid	Establishes a DPU pilot program to develop advanced smart meters and smart grid programs for purpose of networking real time energy usage and transportation.
74	Retail Access	DPU shall require electric companies to provide consumers with retail access to competitive sellers of renewable generation attributes.
75	Commercial and Demolition Commission	Establishes a special commission to investigate commercial and demolition debris as it relates to biomass and the RPS.
76	HEAT Loan Pilot Program	Requires DPU to establish a pilot that will assist consumers in the purchase of energy efficient products for their home.
77	Reporting on Energy Efficiency	Requires DPU and DOER to report on the effectiveness of the system benefit charge.
78	DPU Hearing and Report on Electric Meters	Requires DPU to hold a public hearing and report on the replacement of electric meters and maintenance of gateboxes.
79	ACP Payments	Allows for grants from alternative compliance payments for commonwealth based programs that develop renewable generation, flywheel storage, and energy generation educational programs.
80	MOU	Ensures that MOU are entered between public entities and developers for the purpose of meeting renewable generation goals established by Executive Order #484

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81	Renewable Generation Requirement	Requires DPU to assess effectiveness of allowing electric companies to own renewable generation and make recommendations to the legislature on continuing, expanding, or eliminating this program.
82	State building construction	Requires DCAM to establish methodology for life-cost analysis by July 1, 2008.
83	Efficiency First	Advisory council must undertake study of energy efficiency and demand response programs by Dec. 31, 2009.
84	Competitive Suppliers	Requires DPU to establish terms for non-utility suppliers for programs by September 1, 2008.
85	MTC Reporting Requirement	Requires MTC to submit to the HWM, SWM, EDET, and TUE updates on the 5 year strategic plan for MRET and its admin by July 1, 2008.
86	Effective Date for sunset	Sets the sunset date at June 30, 2012
87	Effective Date for Home Energy Scoring	Makes this section effective 1 year after enactment
88	Effective Date for Governor's Reorganization Correction	Makes this section retroactive to the date of the Governor's reorganization enactment.
89	Effective Cellulosic Ethanol	Makes these sections effective for 2008-2017.
90	Effective Date for IECC	Makes this section effective 6 months after enactment.