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Grid Access & Interconnection

David Cash
Commissioner
Massachusetts Department of
Public Utilities

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Grid Access & Interconnection in Massachusetts

- General framework
 - Stakeholder process
 - Open Access
 - Non-discriminatory
 - Get incentives right to meet policy goals
 - Lost Revenue Recovery
 - Fines for delays
 - Planning studies
 - Different issues and different codes at different scales
 - Regional transmission grid (federally regulated)
 - Local distribution network
 - Different issues for different utilities

Stakeholder Process

- Stakeholder process at all phases, but especially in early phases
 - Utilities, developers, IPPs, electric customers (business/residential), finance/banks, decision-makers (local through federal)
- In Massachusetts there have been two on-going stakeholder processes facilitated by a third party:
 - Distributed Generation
 - Interconnection

New Interconnection Ombudsperson/Mediator Process

- DPU staff, but independent
- Bringing different parties to the table
- Seeking win-win solutions
- Prior to adjudication

Dealing with Caps

- Periodic raising of the cap by statute
- Creating a queue mechanism

What is the System of Assurance (“SoA”)?

- The SoA is a *set of rules* and a *process* for an orderly and efficient development of net metering facilities, given the existence of a cap on net-metered facilities
 - The SoA facilitates development
 - The SoA is NOT a product (e.g., non-transferable)
- Allows Host Customers of proposed net metering facilities to apply for and reserve a cap allocation
 - i.e., a guarantee of net metering services

Evolution of a “Queue” cont.

- As required by statute, DPU started development of the SoA in early 2011, including:
 - Multiple technical conferences;
 - Multiple rounds of comments;
 - Multiple iterations of a proposed mechanism; and
 - A competitive solicitation for an Administrator
- The DPU relied heavily on stakeholder input
- The end result is the “Massachusetts System of Assurance of Net Metering Eligibility”

What is the System of Assurance (“SoA”)?

- Applications for Cap Allocations (ACAs) require proof of an “advanced stage of development”
- Independent 3rd party administers the SoA and:
 - Reviews submitted ACAs for completeness;
 - grants reservations of cap space; and
 - tracks status of the caps
- The Administrator of the SoA is the Cadmus team

What is the System of Assurance? (cont.)

- Set of rules issued on 5/7/12
 - Updated on 10/25/12
- Highlight of rules:
 - Host Customer drives the process
 - Self certification
 - Admit only legitimate projects
 - Data tracking
 - Mandatory
 - Participant-funded program

Fundamental Principles

1. Transparency

- The SoA should provide all parties with better information
- Facilitate better decision making
- No “black box” processes

2. Objectivity

- The Administrator should be able to stringently follow the rules and treat all applicants equally

Fundamental Principles

3. SoA is for “mature” projects

- The threshold to enter the SoA should be high
- Preclude *ideas* for projects
- Result- applicants to the SoA must have:
 - An executed interconnection services agreement (preliminary ISA if developer wants- takes on more risk);
 - Site control; and
 - All permits and approvals

Fundamental Principles

4. Strict timelines

- Projects cannot languish in the SoA
- Failing projects will be removed to make room for viable projects
- Result:
 - Applicants must enter the SoA when they are comfortable that they'll be able to build the project in the allotted time
 - Wind and agricultural- **18 months** to build
 - Solar- **9 months** to build

Fundamental Principles

5. Mandatory system

- Originally, the DPU proposed a voluntary system
- However, market participants were unanimous that transparency and accurate data required a mandatory system
- Result:
 - As requested by market participants, the SoA is a mandatory system
 - Must enter SoA to receive net metering services

Fundamental Principles

6. Participant funded

- Ratepayers (e.g. non-participants) should not pay for the SoA
- Since the SoA benefits applicants, all parties agreed that applicants should cover the costs

7. Applicants are responsible for effectively using the SoA

- Applicants must properly use the SoA, or their assurance is revoked
- No special treatment; all applicants are equal