

July 15, 2015

VIA HAND DELIVERY AND E-FILING

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Re: D.P.U. 15-77 – Petition of (“Petition”) of SolarCity Corporation (“SolarCity”) for an Advisory Ruling Relative to 220 C.M.R. § 18.00 et seq. and G.L. c. 164, §§ 138 to 140.

Dear Secretary Marini:

In the above-mentioned docket, SolarCity requested an advisory opinion from the Department of Public Utilities (“Department”) on whether its solar facility paired with battery storage is eligible for net metering.¹ Although SolarCity has since withdrawn the Petition, this is an important policy question that Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid (“National Grid”) urge the Department to address.²

In general, National Grid views the pairing of battery energy storage with solar power generation as offering a wide range of potential benefits for customers and for the electric power system. However, as described more fully below, it is unclear whether such pairings are eligible as net metering facilities, and before reaching a determination, we recommend that the Department fully evaluate the implications and consider whether to impose any conditions on such systems, as has been done in other states.

Since the 1980s, customers have engaged in net metering (i.e., the “netting” of energy generated and exported to the electric power system from the energy consumed from the electric power system) because there was no practical means of storing energy. The net metering statute

¹ On June 12, 2015, SolarCity filed its Petition because it “was unable to complete the application” for a net metering cap allocation with the System of Assurance of Net Metering Eligibility.

² On July 3, 2015, the Department issued a notice and request for comments. On July 8, 2015, SolarCity withdrew its petition because it had “worked with the net metering administrator to enable submission of the application” and it “does not foresee a need to request an Advisory Ruling.” As electric distribution companies have previously noted, the successful filing of an application for a net metering cap allocation assumes that the proposed project is eligible as a net metering facility (D.P.U. 15-32, Distribution Companies Comments at 3). We respectfully request that that the Department clarify this issue, and confirm whether this assumption is true.

in Massachusetts makes no reference to energy storage, defining a “solar net metering facility” as “a facility for the production of electrical energy that uses sunlight to generate electricity and is interconnected to a distribution company.” G.L. c. 164, § 138. Today, solar net metering facilities with a nameplate capacity of up to ten megawatts (10 MW) generally receive almost the full retail value as compensation for the energy that they export to the electric power system, based on time-of-use rates, if applicable. If battery storage is paired with a solar net metering facility, without adequate technical controls in place, it may be possible to charge batteries from the grid at off-peak rates, and dispatch the energy from batteries to the grid at on-peak rates. This could provide on-peak net metering credits for “renewable” energy that was actually “recycled” from the grid off-peak, and increase credit values for net metering customers at a higher cost to all other electricity customers. The Department should fully examine any potential rate implications and the need for any technical requirements posed by such pairings prior to determining that these facilities are eligible for net metering.

In its examination, the Department should consider the policies of other states on solar paired with storage and its eligibility as a net metering facility, subject to any conditions. California and Hawaii have examined this issue and determined that such facilities may be: (1) ineligible, in some cases; (2) eligible, if the solar project is limited to a certain nameplate capacity or amount of production; (3) eligible, if the relative capacity of the battery as compared to the solar system meets acceptable standards; (4) eligible, subject to technical controls regarding inverters and metering; and/or (5) eligible, subject to “de-rated” net metering credits. The Department should investigate these questions, and develop a clear Massachusetts policy for solar paired with battery storage, with an opportunity for stakeholders to comment.

For all of the above reasons, the Department’s investigation of solar paired with storage is both necessary and appropriate. Given the continued rapid growth of solar development in Massachusetts, National Grid respectfully requests that the Department initiate such an investigation as early as possible.

Thank you for your time and attention to this matter.

Very truly yours,



Laura C. Bickel

Enclosures

cc: Shannon Sawyer, Hearing Officer
Jason B. Keyes, Keyes, Fox & Weidman LLP
DPU e-filing