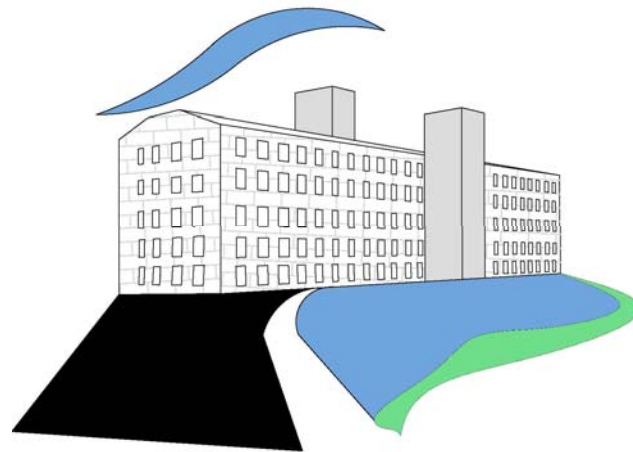


MA Small Hydro Tariff Legislation



Ronald Johnson
Thorndike Energy, LLC

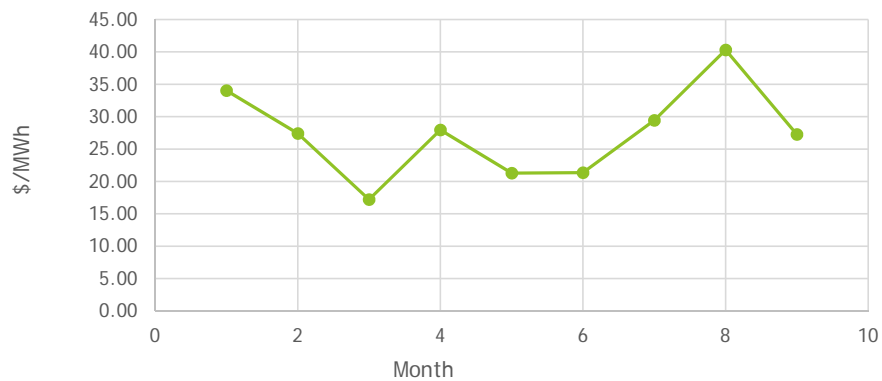
November 16, 2016

HISTORIC POWER MARKETING ENVIRONMENT - SMALL HYDRO

Limited Market Options

- Sell directly to local utility (wholesale)
- Negotiate contract with municipal electric utility
- Net meter under 60 kW
- On-site or direct transmission power (retail)

Average RT LMP-2016



ENERGY DIVERSITY ACT 4568

- ▶ Signed by Governor Baker Aug 8, 2016. Effective 90 days after signature.
- ▶ Intended to promote renewable energy
- ▶ Allows option for addition of small hydropower (2MW or less) to existing net metering program

HOUSE No. 4568

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

An Act to promote energy diversity.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. The General Laws are hereby amended by inserting after chapter 23L the
2 following chapter:-

3 Chapter 23M.

4 COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY

5 Section 1. As used in this chapter, the following words shall, unless the context
6 clearly requires otherwise, have the following meanings.:

7

8 "Agency", the Massachusetts Development Finance Agency as established in chapter
9 23G.

10

ENERGY DIVERSITY ACT 4568

- ▶ Notwithstanding any general or special law to the contrary, the department **MAY** require the electric distribution companies to amend the net metering tariff to create a program for small hydroelectric power net metering facilities in the commonwealth. An electric distribution community shall pay a small hydroelectric power net metering facility monthly for electricity it received from the facility based on the kilowatt hours of electricity that the distribution company received from the facility multiplied by the small hydro tariff. A participating small hydroelectric net metering facility shall notify a distribution company that it intends to deliver electricity pursuant to the small hydro tariff program and shall comply with the distribution company's applicable reporting and **interconnection** requirements; provided, however that no more than **60 megawatts** of small hydroelectric power aggregate capacity statewide shall be permitted to participate in the small hydroelectric tariff program. The department shall determine an **appropriate and proportional method** of allocating costs of small hydropower facilities to ensure that the costs of the program are shared collectively among all ratepayers of the distribution companies.

LOOKING FORWARD

- ▶ DOER indicates the process will not start until after the solar net metering is finalized
- ▶ Current about 16 MW of hydro available; remaining capacity will provide development incentive
- ▶ **This is not a done deal** and your written input is important to moving this forward.



QUESTIONS?

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