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Net Metering for Storage in Massachusetts?

By: Rich May, Eric J. Krathwohl

On October 3, 2017, the Massachusetts Department of Public Utilities (“DPU”) took the significant step of opening an inquiry into the eligibility of energy storage systems for net metering. Massachusetts follows New York as a national leader on this issue, which could continue the expansion of renewable energy generation.

Central to the DPU’s newly announced inquiry is the interaction between net metering and storage systems.

- Net metering is a statutory and regulatory framework that allows customers (or owners of distributed generation) to generate credits for excess electricity that net metering facilities generate. Individual customers can use the net metering framework by installing a small fuel generating facility that produces 60 kilowatts or less. Larger facilities are only eligible for net metering if they generate electricity with renewable fuels like wind or solar. Since its 2008 enactment, the framework has become increasingly important for the development of a “robust and stable” market for renewable energy projects in both the private and the public sectors.
- Energy storage systems are technologies that can absorb energy, store it, then dispatch it. The Massachusetts legislature defines energy storage systems by their goals, including reduced emission of greenhouse gases or reduced demand for peak electrical generation. Energy storage systems can include those technologies which “use mechanical, chemical or thermal processes to store energy generated from renewable resources for use at a later time,” including solar resources.

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However, there is uncertainty about the eligibility of energy storage systems for net metering under current Massachusetts legislation. Over the past two years, the DPU received a number of petitions seeking clarity on eligibility due to this regulatory gap. Genbright LLC, for example, sought a determination that battery storage projects are not subject to net metering regulations. In contrast, Tesla, Inc. ("Tesla") sought a determination that solar power generating systems paired with battery storage qualify as a solar net metering facility. A number of interested parties, including Attorney General Maura Healey, the Department of Energy Resources, National Grid, Northeast Clean Energy Council, and Sunrun, Inc., have commented on those petitions.

In response to the petitions and comments, the DPU voted to open its inquiry. In particular, in response to the Tesla petition, the DPU issued a rare advisory opinion that small scale solar and battery storage facilities should be eligible to net meter under certain conditions. The advisory opinion is applicable only to Tesla and therefore limited in scope. However, the DPU highlighted the broad potential impact of the inquiry when it noted that energy storage system eligibility "is consistent with the larger legislative design to encourage the development of renewable and alternative energy throughout the Commonwealth. . . ."

The next steps within the DPU inquiry include a comment and reply period through December 8, 2017. The DPU is soliciting comments in response to specific questions such as "[s]hould net metering facilities paired with energy storage systems be eligible to net meter?" and "[w]hat should the process be to certify, ensure, and enforce customer compliance. . . ?"

Anyone with questions on the potential eligibility for net metering by energy storage systems or on the broader regulatory framework for renewable energy can contact Rich May, P.C. attorney [Eric Krathwohl](#).

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