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Net Metering Solar Power in Massachusetts

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Supporting solar power while cutting energy costs

The Upper Blackstone Water Pollution Abatement District (District) is taking advantage of new energy policies introduced in 2008 in the Green Communities Act (GCA) that can save the District millions of dollars by reducing its electricity costs. Having contracted with a private developer, the District is facilitating the construction of two solar facilities in nearby communities, which will generate up to 5 megawatts of electricity. As a result of the net metering provisions of the GCA, dollar credits will appear on the District's electricity bills, dramatically reducing the District's electricity costs over the next 20 years.

The Challenge: Making an informed solar power choice

The District had received a number of unsolicited net metering based solar power offers. The District needed help determining the financial value and risks associated with net metering projects, and choosing a solar power opportunity. The District also needed help navigating the state's emerging regulatory process at the Department of Public Utilities (DPU), which is charged with implementing net metering as envisioned by the GCA.

What is net metering?

In 2008, the Green Communities Act transformed renewable energy policy in Massachusetts with incentives designed to stimulate the development of renewable

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energy resources. Chief among those policies was the creation of a new type of metering and billing relationship between electric utility companies and their customers known as net metering. Net metering encourages customers to install renewable energy resources: it sets prices for net excess energy delivered to the power grid at close to retail rates. Customers receive dollar credits on their electric utility bills that offset electricity costs.

The Solution: Relying on experts to ensure a prudent solar investment

To better understand the available opportunities, the District turned to Rich May and its partner, Energy Options, to help identify solar power options and determine a prudent investment and contract structure that comply with the new legislation and emerging regulatory requirements. Rich May and Energy Options provided legal and financial analysis to the District, leveraging their energy market knowledge and unique expertise, including one attorney's direct participation in the development of the net metering regulations as a staff attorney at the DPU.

The Result: A beneficial long-term contract

Rich May and Energy Options helped the District better understand the opportunities, risks, expected financial outcomes and means of engaging in net metering projects. In this new industry, they carefully evaluated the offers and developed an arrangement designed to provide significant benefits over twenty years without exposing the District to financial or operational risks. By developing a successful public-private partnership to put the GCA vision into action, Rich May and Energy Options have helped the District meet its goal of reducing its electricity costs while participating in renewable energy in Massachusetts in a way that will deliver important benefits to the District and the community for many years.