

Net Metering Regulation Revisions

[D.P.U. 21-100-A](#)

On February 15, 2024, the Massachusetts Department of Public Utilities (DPU) issued revisions to the Net Metering Regulations in accordance with Chapter 8 of the Acts of 2021, known as the "2021 Climate Act," and additional administrative clarifications. These revisions will be effective as of March 1, 2024, and encompass several key changes:

1. **Expansion of Public Cap Participation:** Class I Net Metering Facilities (generating capacity of 60 kW or less) belonging to a Municipality or Other Governmental Entity are now allowed to participate in the System of Assurance's public cap. This extends participation beyond Class II and Class III Facilities. This will apply only to new Class 1 facilities; existing facilities will not transfer to the public cap.
2. **Inter-Territorial Credit Transfers:** Host Customers of certain Net Metering Facilities can now transfer Net Metering Credits to customers of any electric distribution company within Massachusetts, regardless of service territory or ISO-NE load zone. Projects may now make updates to the Schedule Z up to 4 times per year.
3. **Expansion of Cap Exempt Facilities:** Class II and Class III Facilities serving On-site Load are now considered Cap Exempt Facilities. These facilities must receive an annual cash-out or crediting of accrued Net Metering Credits at the Avoided Cost Rate.
4. **Changes to Net Metering Tariff:** The DPU directs Distribution Companies to remove the Net Metering Recovery Surcharge (NMRS) from inclusion in the distribution charge, as they have decided it should not be included in the calculus of Net Metering Credits. Instead, a new line item will be introduced on customer bills to assess the NMRS separately.

These changes aim to streamline and clarify the administration of the Net Metering Program in Massachusetts, aligning it with clean energy goals outlined in recent legislation. Additionally, the DPU instructs Distribution Companies to update their tariffs accordingly and proposes further revisions to be addressed in separate proceedings.

NOTE: The DPU intends to open a new proceeding within a month or so on the Net Metering changes required due to the **2022** Climate Law (An Act Driving Clean Energy and Offshore Wind).