

**APPENDIX A: SYSTEM OF ASSURANCE OF NET METERING ELIGIBILITY**

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1. Purpose

The system of assurance of Net Metering eligibility set forth herein provides prospective Host Customers with an assurance that they will be eligible to receive Net Metering Services under 220 C.M.R. § 18.00 et seq. when they interconnect their Facility. The Department is authorized to develop a system of assurance of Net Metering eligibility, pursuant to G.L. c. 164, § 139(g).

2. Scope

This system of assurance of Net Metering eligibility applies to: (1) Distribution Companies; and (2) Host Customers of Facilities, except Exempt Facilities. This is a mandatory process for all Host Customers, seeking to receive Net Metering Services, except Exempt Facilities.

3. Definitions

The terms “Agricultural Net Metering Facility,” “Anaerobic Digestion Net Metering Facility,” “Class I Net Metering Facility,” “Class II Net Metering Facility,” “Class III Net Metering Facility,” “Customer,” “Neighborhood Net Metering Facility,” “Net Metering,” “Renewable Energy,” “Solar Net Metering Facility,” and “Wind Net Metering Facility” shall be defined as set forth in G.L. c. 164, § 138. The term “Distribution Company” shall be defined as set forth in 220 C.M.R. § 18.02. Additional terms shall be defined as follows:

Administrator means the qualified person or entity selected by the Department to oversee the process for assurance of Net Metering Services.

Application for a Cap Allocation means the prescribed form containing the information (and including supporting documentation and Certification) necessary to determine eligibility for a Cap Allocation or a position on the Waiting List pursuant to Section 4.

Business Day means a day that is not a Saturday, a Sunday, or a public holiday as observed by the Commonwealth of Massachusetts. Computation of time shall begin with the first day following that on which the act that initiates such period of time occurs. The last day of the period so computed is to be included unless it is not a Business Day, in which event the period shall run until the end of the next following Business Day.

Cap Allocation means an assurance that a Host Customer will receive Net Metering Services upon a Host Customer's receipt of notice of authorization to interconnect.

Certification means a written statement based on knowledge, information, and belief that the relevant claims are true.

Department means the Department of Public Utilities.

Effective Date means the date on which this system of assurance for Net Metering shall first apply as determined by the Department.

Exempt Facility means a Class I Net Metering Facility that is not a Net Metering facility of a Municipality or Other Governmental Entity if:

- (a) it is a Renewable Energy generating facility; and
- (b) its nameplate rating is equal to or less than
  1. ten kilowatts on a single-phase circuit; or
  2. 25 kilowatts on a three-phase circuit.

Facility means a plant or equipment eligible to become a Class I, II, or III Net Metering Facility.

Host Customer means a Customer with a Class I, II, or III Net Metering Facility that generates electricity on the Customer's side of the meter. Host Customer includes a prospective Host Customer.

Interconnection Service Agreement means the agreement for interconnection service entered into between the Interconnecting Customer and a Distribution Company, as defined and provided in each Distribution Company's standards for interconnection of distributed generation.

Net Metering Services means services provided by a Distribution Company to Customers and Host Customers necessary to permit Net Metering, including those related to interconnection, metering, and calculation and billing of Net Metering credits, as specified in the Distribution Company's tariff pursuant to 220 C.M.R. §§ 18.09(2) and (3).

Private Cap means the limit on Net Metering capacity of Facilities that are not covered by the Public Cap, pursuant to G.L. c. 164, § 139(f).

Public Cap means the limit on Net Metering capacity of Public Facilities, pursuant to G.L. c. 164, § 139(f).

Public Facility means a Class II or III Net Metering Facility: (1) that is owned or operated by a municipality or other governmental entity; or (2) of which the municipality or other governmental entity (a) is assigned 100 percent of the output; (b) is the Host Customer; and (c) if allocating Net Metering credits, allocates only to municipalities and other governmental entities.

Reservation Period means the period for which a Host Customer is entitled to an assurance of Net Metering Services prior to a Facility's receipt of notice of authorization to interconnect.

Special Public Facility means a Public Facility for which: (1) the municipality or other governmental entity owns and operates the Facility; and (2) the Facility is located on property that is owned or leased by the municipality or other governmental entity.

Waiting List means a list of Host Customers that would receive a Cap Allocation if there were capacity under the applicable cap, and that may receive a Cap Allocation if capacity becomes available under the applicable cap.

#### 4. Obtaining a Cap Allocation

##### (A) Transitional Period from Effective Date

If a Facility will interconnect within 90 days after the Effective Date, a Host Customer may be granted a Cap Allocation, provided that the Host Customer: (1) contacts the Administrator within ten Business Days of the Effective Date and identifies the capacity and the type of its Facility as well as whether it would qualify under the Public Cap or the Private Cap; and (2) receives notice of authorization to interconnect within 90 days after the Effective Date. Cap Allocations granted under this section will remain subject to the provisions of Sections 6 and 9. Alternatively, any Host Customer may submit an Application for a Cap Allocation under the provisions of Sections 4(B), 4(C), or 4(D) to seek a Cap Allocation.

##### (B) Application for a Cap Allocation

Except as provided in Sections 4(A) and 4(D), to receive a Cap Allocation, a Host Customer must submit an Application for a Cap Allocation to the Administrator. Applications for a Cap Allocation shall be submitted to the Administrator only via electronic mail. The date the Administrator receives an Application for a Cap Allocation shall be its "submission date." The Application for a Cap Allocation

shall include, among other details, a Certification and supporting documentation to establish that the Host Customer has, with respect to the Facility:

- (i) an executed Interconnection Service Agreement;
- (ii) adequate site control (a sufficient interest in real estate or other contractual right to build the Facility at the location specified in the Interconnection Service Agreement);
- (iii) except as provided in Sections 4(D) and 7(A)(ii), all necessary governmental permits and approvals to construct the Facility with the exception of ministerial permits, such as a building permit, and notwithstanding any pending legal challenge(s) to one or more permits or approvals; and
- (iv) an application fee, as set forth in Section 5(D).

(C) Cap Allocation under the Public Cap

In addition to the provisions of Section 4(B), a Host Customer who seeks a Cap Allocation under the Public Cap shall submit a Certification and supporting documentation to establish that the Facility is a Public Facility. Evidence of public ownership or operation shall consist of proof that the appropriate authorization has been obtained (e.g., town meeting vote, approval from governing body) for proceeding with a publicly owned or operated Facility. Evidence of 100 percent assignment of output shall consist of a power purchase agreement or other comparable documentation. Evidence that the Host Customer is a governmental entity and will properly allocate Net Metering credits shall consist of the interconnection application and the executed Interconnection Service Agreement.

(D) Exception for Special Public Facilities

Notwithstanding the provisions of Section 4(B)(iii), the Host Customer of a Special Public Facility need not have all governmental permits and approvals before submitting an Application for a Cap Allocation, receiving a Cap Allocation, or receiving a position on the Waiting List. As provided in Section 7(A)(ii), the Host Customer of a Special Public Facility must submit all governmental permits and approvals to the Administrator within nine months of being granted a Cap Allocation.

(E) Loss of Cap Allocation or Position on the Waiting List

A Host Customer may lose a Cap Allocation or place on the Waiting List for not meeting the requirements of the System of Assurance, including but not limited to: (1) failing to meet applicable deadlines; (2) making any changes identified in

Section 8(C); (3) making false assertions as provided in Section 11; and (4) failing to comply with the verification requirements of Section 9(B).

If the Administrator intends to revoke a Cap Allocation or a place on the Waiting List, the Administrator shall notify the Host Customer electronically. The Administrator shall wait 15 Business Days in order to allow the Host Customer the opportunity to use the process described in Section 10. If the Host Customer does not respond to the notification within 15 Business Days, the Administrator may revoke the Host Customer's Cap Allocation or place on the Waiting List.

5. Duties of the Administrator and Fees

(A) General Duties

The Administrator shall have such duties as the Department establishes. All notifications, reports, and documents shall be provided in a form prescribed by the Administrator.

(B) Monitoring and Reporting on Capacity

Every month, until 80 percent of the capacity of a Distribution Company's Public or Private Cap is reached, the Administrator shall calculate and report the remaining available capacity under such Public or Private Cap as the difference between: (1) the capacity of the applicable cap; and (2) the sum of: (a) the aggregate capacity of all Host Customers receiving Net Metering Services with the exception of the Exempt Facilities, as reported by the Distribution Company each month; and (b) the capacity of Host Customers that have been granted a Cap Allocation.

Once 80 percent of the capacity of a Distribution Company's Public or Private Cap has been reached, the Administrator shall calculate the remaining available capacity under such Public or Private Cap every week as the difference between: (1) the capacity of the applicable cap; and (2) the sum of: (a) the aggregate capacity of all Host Customers receiving Net Metering Services with the exception of the Exempt Facilities, as reported by the applicable Distribution Company each week; and (b) the capacity of Host Customers that have been granted a Cap Allocation.

To calculate capacity, a Solar Net Metering Facility's capacity shall be 80 percent of the Facility's direct current rating at standard test conditions, and all other Facilities shall be the alternating current nameplate rating.

The Administrator shall post updates on the remaining available capacity within each Cap on a publicly accessible Internet website.

(C) Processing Applications for a Cap Allocation

The Administrator shall prioritize complete Applications for a Cap Allocation on a first-come, first-served basis, according to their Submission Date and time. If multiple Applications for a Cap Allocation are received at the same minute, the Administrator shall examine the seconds to determine priority.

The Administrator shall notify the Host Customer: (1) within two Business Days of the submission date that the Application for a Cap Allocation was received; and (2) within 15 Business Days of the submission date whether the Application for a Cap Allocation is complete or incomplete.

If the Application for a Cap Allocation is complete, the Administrator shall notify the Host Customer of a grant of a Cap Allocation or a position on the Waiting List. The Administrator's notification that an Application for a Cap Allocation is complete does not relieve the Host Customer of the obligations in Sections 6 and 9.

If the Application for a Cap Allocation is incomplete, the Administrator shall notify the Host Customer of the deficiency and the Host Customer may resubmit the Application for a Cap Allocation, which will be deemed a new Application for a Cap Allocation.

The Administrator shall maintain a Waiting List for Host Customers that have applied for a Cap Allocation and been denied a Cap Allocation solely because the Administrator has determined, pursuant to Section 5(B), that no additional capacity is available under the applicable cap.

The Administrator shall notify the Host Customer in writing as soon as is practicable of the Host Customer's loss of its Cap Allocation or place on the Waiting List pursuant to Section 4(E).

(D) Application for a Cap Allocation Fee

The Host Customer must submit a \$100 non-refundable application fee for the Administrator to deem an Application for a Cap Allocation complete.

(E) Reservation Fees

Except as provided in Section 5(F), no more than 15 Business Days after receipt of notice that an Application for a Cap Allocation is complete, the Host Customer must submit to the Administrator a non-refundable reservation fee of \$3.15 per kilowatt ("kW") based on the capacity of the Facility. If the Host Customer does not submit the full amount of a reservation fee within 15 Business Days, the Host Customer will forfeit the Cap Allocation and any fees already submitted.

(F) Waiting List

If there is insufficient capacity to accommodate a complete Application for a Cap Allocation, the Administrator shall add the Host Customer to the Waiting List for the applicable Cap. Priority on the Waiting List shall be based on the date and time that the Administrator receives a complete Application for a Cap Allocation. Unless otherwise stated below, fees associated with Section 5(E) are suspended while a Host Customer is on the Waiting List.

As Net Metering capacity becomes available (e.g., as a result of an increase to a Distribution Company's peak load, loss of a Cap Allocation, legislative changes, etc.), the Administrator shall offer it to Host Customers on the applicable Waiting List, in order of priority. If the Net Metering capacity offered to a Host Customer on the Waiting List is equal to or more than the amount sought in an Application for a Cap Allocation, the Host Customer may accept the offer and must submit any fees required by Section 5(E). If the Host Customer does not accept the Cap Allocation offered or does not submit all fees within 15 Business Days of the offer, the Administrator shall deem the Application for a Cap Allocation withdrawn, and the Net Metering capacity will be offered to the next Host Customer on the Waiting List.

If the amount of Net Metering capacity offered to a Host Customer is less than the amount sought in an Application for a Cap Allocation, the Host Customer may: (1) accept the offer of a reduced Cap Allocation as provided in Section 8(B)(iv), and submit any fees required by Section 5(E); (2) accept the offer, submit any fees required by Section 5(E), hold the Cap Allocation, and remain on the Waiting List for additional Net Metering capacity; or (3) decline the offer and remain on the Waiting List, while the Net Metering capacity is offered to the next Host Customer on the Waiting List. Reservation periods established under Section 7 shall not begin until a Host Customer has accepted a partial Cap Allocation and left the Waiting List or received 100 percent of the Cap Allocation requested.

6. Reporting Requirements(A) Distribution Companies

Each month until 80 percent of the capacity of its Public or Private Cap has been reached, each Distribution Company shall report to the Administrator the aggregate capacity of all Host Customers receiving Net Metering Services except Exempt Facilities. Once 80 percent of the capacity of a Distribution Company's Public or Private Cap has been reached, each week, the Distribution Company will report to the Administrator the aggregate capacity of all Host Customers receiving Net Metering Services except Exempt Facilities. The Distribution Companies are only required to file reports on the aggregate capacity of all Host

Customers receiving Net Metering Services, except Exempt Facilities, when there is a change from the last-filed report.

(B) Host Customers

Each Host Customer with a Cap Allocation, or a position on the Waiting List shall submit to the Administrator a quarterly report of its Facility's status indicating either: (1) no change; or (2) changed, with a detailed description of the change(s).

Such report is due by the last day of each calendar quarter until the end of the quarter in which: (1) the Facility receives notice of authorization to interconnect from the Distribution Company; or (2) a Host Customer no longer has a Cap Allocation or position on the Waiting List.

A Host Customer shall notify the Administrator when its Facility is interconnected. A Host Customer shall not exceed its Cap Allocation without the written authorization of the Administrator and the Distribution Company to which the Facility is interconnected.

7. Reservation Periods

(A) Initial Reservation Period

(i) Initial Reservation Period

The Initial Reservation Period begins when: (1) the Administrator notifies the Host Customer of a Cap Allocation that, together with any prior Cap Allocation for a Facility, provides a Cap Allocation equal to the capacity requested by the Host Customer for the Facility; and (2) the Host Customer has submitted all applicable fees under Section 5(E).

The Initial Reservation Period shall be 18 months for Wind Net Metering Facilities and Agricultural Net Metering Facilities, and nine months for Solar Net Metering Facilities and all other net metering facilities.

(ii) Exception for Special Public Facilities

For Special Public Facilities, the initial reservation period shall be 27 months for Wind Net Metering Facilities and Agricultural Net Metering Facilities, and 18 months for Solar Net Metering Facilities, provided that the Host Customer obtains all governmental permits and approvals as provided in Sections 4(B) and 4(D) within nine months of the Cap Allocation.

(iii) Request for Extensions

No later than 30 calendar days before the end of the initial Reservation Period, a Host Customer may request that the Administrator grant an extended Reservation Period for a fee as provided in Section 7(B)(iii). At any time during a Reservation Period, a Host Customer may request an extended Reservation Period for legal challenges as provided in Section 7(B)(ii), or an extended Reservation Period pending authorization to interconnect as provided in Section 7(B)(iv). The Administrator shall review and respond within 15 Business Days to any Host Customer's request for an extension of the Reservation Period. At the end of the Reservation Period, including the initial Reservation Period and all applicable extensions, the Reservation Period shall automatically expire without further action or notice by the Administrator.

(B) Extended Reservation Periods and Fees

(i) Extended Reservation Period

As provided in Sections 7(B)(ii) and 7(B)(iii), if granted by the Administrator, an extended Reservation Period begins the first day after the end of the initial Reservation Period or another extension, provided that the Host Customer has already submitted any applicable fees under this section and has not previously sought the same extended Reservation Period for the Facility's Cap Allocation.

(ii) Extended Reservation Period for Legal Challenges

Any Host Customer may seek an extended Reservation Period of six months if the Host Customer submits a Certification that a governmental permit or approval for the Facility was subject to a legal challenge during the initial Reservation Period or extended Reservation Period, and the legal challenge remains pending. However, the extended Reservation Period for legal challenges terminates at the end of the legal challenge. Any and all other Reservation Period timelines are suspended during the extended Reservation Period for legal challenges. There is no fee for an extension under this provision.

(iii) Extended Reservation Period for a Fee

A Host Customer with a Cap Allocation may seek an additional extended Reservation Period for six months provided that such Host Customer has submitted a fee of \$3.15 per kW.

The fee shall be held in escrow by the Administrator and refunded to the Host Customer without interest, provided that the Facility receives notice of authorization to interconnect within six months. The Host Customer shall forfeit the fee if: (1) except as provided in Section 7(B)(iv), the Facility does not receive notice of authorization to interconnect within the six-month extended Reservation Period; or (2) the Host Customer fails to comply with the requirements of Section 9.

(iv) Extended Reservation Period Pending Authorization to Interconnect

When a Facility's interconnection depends only upon receipt of notice of authorization to interconnect, the Reservation Period shall be extended until such notice is received or denied. Any fees associated with Section 7(B)(iii) shall not be forfeited solely as a result of seeking this extended Reservation Period pending authorization to interconnect.

8. Impact of Facility Changes

(A) Host Customers must report all project changes to the Administrator and the Distribution Company in a timely manner.

(B) Permissible Changes

The following changes will not invalidate an Application for a Cap Allocation, a Cap Allocation, or a position on the Waiting List as long as they do not affect a Facility's status or position within the Public or Private Cap and they do not require a new Interconnection Service Agreement:

- (i) A change of Host Customer and related contact information. Both the Host Customer with the Cap Allocation and the new Host Customer must notify the Administrator of such a change and revise the Application for a Cap Allocation.
- (ii) A change to the Facility ownership and related contact information. The Host Customer shall notify the Administrator of such a change and revise the Application for a Cap Allocation.
- (iii) A change in a Host Customer's equipment (e.g., manufacturer, brand, etc.) that does not require a new Interconnection Service Agreement as determined by the Distribution Company.
- (iv) A reduction in the amount of Net Metering capacity requested. Based on notice of a reduced amount of Net Metering capacity requested, the Administrator shall revise the amount of aggregate capacity available to other applicants.

- (v) An increase in the amount of capacity included in an Application for a Cap Allocation or Cap Allocation as long as there is available capacity under the applicable cap and no other Host Customer is on the applicable Waiting List. A Host Customer who requests an increased Cap Allocation must submit the same Certifications required in Section 4 with respect to the additional capacity.

(C) Prohibited Changes

The following changes will invalidate an Application for a Cap Allocation, a Cap Allocation, and a place on the Waiting List:

- (i) Changes to a Facility that require a Cap Allocation under a different cap (i.e., Public to Private Cap or vice-versa).
- (ii) Changes to the type of technology (e.g., a Solar Net Metering Facility seeks to become a Wind Net Metering Facility).
- (iii) Relocation of the Facility to a non-contiguous property.

As a result of any such changes, the Application for a Cap Allocation will be deemed to have been withdrawn by the Host Customer and the Host Customer must submit a new Application for a Cap Allocation.

9. Information Disclosure, Verification, and Host Customer Reporting

(A) Information Disclosure

Unless the Host Customer requests and demonstrates that protective treatment is warranted, the Administrator shall make available on a publicly accessible website an Application for a Cap Allocation and all supporting documentation submitted by a Host Customer except for: (1) an executed Interconnection Service Agreement; and (2) a demonstration of adequate site control. If any documents related to either of the exceptions are otherwise publicly available, the Host Customer must notify the Administrator, and the Administrator shall make such documents available on the publicly accessible website.

(B) Verification

The Host Customer agrees to provide, at any time and without cause, copies of any documents deemed by the Administrator as reasonably necessary to confirm the facts related to a Certification or to investigate any allegation of fraud or misrepresentation in an Application for a Cap Allocation or in any other document submitted to the Administrator. The Host Customer shall provide the Administrator with any requested documents within 15 Business Days of a request.

The Administrator shall retain copies of all documents submitted in connection with an Application for a Cap Allocation for three years from the date an Application for a Cap Allocation is submitted.

10. Dispute Resolution

(A) Informal Resolution

An applicant aggrieved by the Administrator's action(s) on its Application for a Cap Allocation may submit a request to the Administrator to resolve the dispute. The Administrator must respond to the request within fifteen Business Days. The Administrator and the applicant shall make a good faith attempt to resolve the dispute informally before any party commences arbitration.

If a dispute is not resolved informally within 30 Business Days of a request, an applicant may initiate arbitration.

(B) Arbitration

The Administrator shall retain a neutral and independent arbitrator to provide services under this Section. The Administrator shall post on its website the arbitrator's name and contact information. The applicant shall pay the arbitrator's fees and costs.

An applicant shall initiate arbitration by submitting a written request to the arbitrator, with a summary of the dispute. Unless otherwise agreed to by the parties, the arbitrator shall render a written decision within 60 days of the initiation of arbitration. The arbitrator shall establish the procedures for the arbitration.

If either party is aggrieved by the arbitrator's decision, it may petition the Department for an adjudicatory proceeding under G.L. c. 30A.

Unless otherwise ordered by the arbitrator or the Department, pending the outcome of the dispute resolution process, an applicant shall not lose a Submission Date, Cap Allocation, or place on the Waiting List.

11. False Assertions

As provided in Section 4(E), if the Administrator or the Department determines that a Host Customer has made one or more false assertions in fulfilling the requirements of the System of Assurance, in addition to any applicable penalties pursuant to G.L. c. 268, § 6 and other applicable remedies, the Administrator or Department may revoke the Host Customer's Cap Allocation or place on the Waiting List.

12. Miscellaneous

The Department may permit an exception from any provision of the System of Assurance of Net Metering eligibility for good cause.