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Energy Policy Review Commission Report

Report to the Legislature

June 31, 2013

Submitted by members of the Energy Policy Review Commission

Background and Charge

In July 2012, the Massachusetts Legislature passed, and in August 2012 Governor Patrick signed, S. 2395, “An Act Relative to Competitively Priced Electricity in the Commonwealth” (the 2012 Energy Bill). This legislation provided several enhancements to existing policies which have helped Massachusetts become national leaders in energy efficiency and has led to unprecedented growth in renewable energy installations. In addition to these enhancements, the 2012 Energy Bill also called for studies, task forces, and commissions to review specific policies, both current and potential, in the Commonwealth. Among these was the creation of the Energy Policy Review Commission (the Commission). The Commission was charged to,

“research and review the economic and environmental benefits, as well as, the economic and electricity cost implications of energy and electricity policies in the commonwealth. The commission shall report to the legislature recommendations on how to (i) further expand the commonwealth’s renewable energy portfolio and promote energy efficiency; (ii) encourage business development and job creation; (iii) reduce the costs associated with energy programs funded, in whole or in part, by the commonwealth, while maximizing the benefit of these programs; (iv) reduce the cost of electricity for commercial industrial and residential customers; and (v) increase electricity reliability.”

This 9 member Commission, chaired by Energy and Environmental Secretary Richard K. Sullivan, was tasked with completing a report on these topics by July 1, 2013. In addition to reporting on the five subsections listed above, the Commission was also tasked,

“at minimum, research, evaluate, consider and report on: (i) determining consistent metrics to be utilized to evaluate the success and cost-effectiveness of programs under chapter 169 of the acts of 2008; (ii) the associated economic and environmental impact of scheduled increases in demand resources, aggregate net metering capacity and renewable energy capacity; (iii) the structure of the regional wholesale electricity market and its impact on retail electricity costs; and (iv) the overall impact of the commonwealth’s energy and electricity policies on economic growth in the commonwealth, specifically net job creation and business development, establishment and retention.”

Furthermore, the Commission shall at minimum include,

“an analysis of the estimated or actual economic and environmental benefits, as well as, economic cost, electricity cost and implication for electricity reliability of:

(i) implementing administrative, regulatory and legislative rulemaking as it pertains to electricity and the structure of the wholesale electricity market; and (ii) meeting legislative and administrative goals and requirements related to greenhouse gas reductions, energy efficiency and renewable energy generation.”

Finally, the Commission was directed to hold two periods of public comment; one prior to the report being written, and one period of comment on the draft.

Methodology and Process

Considering the breadth of the charge and the relatively short time period in which the Commission had to meet the objectives, the Commission set up on an aggressive meeting schedule. To ensure each member began the process with an appropriate knowledge base of existing state policies and programs, presentations from the Department of Energy Resources (DOER), the Department of Public Utilities (DPU), and the Clean Energy Center (CEC) were given. In addition...

Findings and Recommendations

I. Expanding renewable energy in the Commonwealth

a. Overview

This section is an overview of renewable energy in the Commonwealth and current policy.

b. Discussion

This section highlights the discussions had within the EPRC.

c. Metrics

This section defines metrics considered for the topic.

d. Recommendations

This section outlines recommendations of members.

II. Promoting energy efficiency in the Commonwealth

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a. Overview

This section is an overview of energy efficiency in the Commonwealth and current policy.

b. Discussion

This section highlights the discussions had within the EPRC.

c. Metrics

This section defines metrics considered for the topic.

d. Recommendations

This section outlines recommendations of members.

III. Encouraging business development and job creation in Massachusetts

a. Overview

This section is an overview of business development and job creation in the Commonwealth.

b. Discussion

This section highlights the discussions had within the EPRC.

c. Metrics

This section defines metrics considered for the topic.

d. Recommendations

This section outlines recommendations of members.

IV. Reducing costs associated with energy programs while maximizing benefits

a. Overview

This section covers existing cost reduction policies in the Commonwealth.

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b. Discussion

This section highlights the discussions had within the EPRC.

c. Metrics

This section defines metrics considered for the topic.

d. Recommendations

This section outlines recommendations of members.

V. Reducing cost of electricity for commercial industrial and residential customers

a. Overview

This section is an overview of cost and reduction efforts in the Commonwealth.

b. Discussion

This section highlights the discussions had within the EPRC.

c. Metrics

This section defines metrics considered for the topic.

d. Recommendations

This section outlines recommendations of members.

VI. Increasing electricity reliability

a. Overview

This section is an overview of current reliability of electricity in the Commonwealth.

b. Discussion

This section highlights the discussions had within the EPRC.

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c. Metrics

This section defines metrics considered for the topic.

d. Recommendations

This section outlines recommendations of members.

Conclusion

Appendix