HOUSE . . . . . . No. 774

By Ms. Fiero of Gloucester, petition of Patricia G. Fiero for legislation to exempt certain cogenerators and small power producers from jurisdiction of the Department of Public Utilities. Government Regulations.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Five.

AN ACT PROVIDING FOR AN EXEMPTION OF CERTAIN COGENERATORS AND SMALL POWER PRODUCERS FROM DEPARTMENT OF PUBLIC UTILITIES JURISDICTION.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 1 of Chapter 164 of the General Laws is

2 hereby amended by striking out the paragraph beginning "Alter-

3 native energy producer" and inserting in place thereof the

4 following:

5 "Alternative energy producer", any person, firm, partnership, association, public or private corporation, or any agency, depart-

7 ment, board, commission or authority of the commonwealth or of

8 a subdivision of the commonwealth, that owns or operates a

9 cogeneration facility or small power production facility as defined

10 in this section.

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SECTION 2. Section 1 of chapter 164 of the General Laws is hereby further amended by striking out the paragraph beginning "cogeneration facility" and inserting in place thereof the following two paragraphs:

"Cogeneration facility", any electrical generating unit which produces (i) electric energy and (ii) steam or other forms of useful energy which are used for residential, industrial, commercial, heating or coolong purposes.

"Cogenerator", any person, firm, partnership, association, public or private corporation, or any agency, department, board,

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- 11 commission or authority of the commonwealth or of a subdivision
- 12 of the commonwealth, that owns or operates a cogeneration facil-
- 13 ity and that is not primarily engaged in the generation, distribu-
- 14 tion, or sale of electric power other than from a cogeneration or
- 15 small production facility.

SECTION 3. Section 1 of chapter 164 of the General Laws is hereby further amended by striking the paragraph beginning "small power production facility" and inserting in place thereof the following two paragraphs:

"Small power production facility", any electric generating unit which produces electric energy by the use, as a primary energy source, of biomass, solid waste, wood, hydropower, wind and other forms of direct or indirect solar energy, or any combination thereof.

"Small power producer", any person, firm, partnership, association, public or private corporation, or any agency, department, board, commission or authority of the commonwealth or of a subdivision of the commonwealth, that owns or operates a small power production facility and that is not primarily engaged in the generation, distribution, or sale of electric power other than from a cogeneration or small power production facility.

SECTION 4. Section 1 of chapter 164 is hereby further amended by adding at the end of the definition of "Electric company" the following:

and provided further that electric company shall not mean a cogenerator or small power producer which is engaged in the sale of electricity within the commonwealth solely for the purpose of resale or for sale only to customers which are purchasing electricity for the first time (as determined by the department).

SECTION 5. Section 69G of chapter 164 of the General Laws, is hereby amended by adding the following sentence at the end of the definition of "Electric company":

In no event shall a cogenerator or small power producer, as defined in section 1 of this chapter, which generates, transmits, distributes, or sells electricity only to customers which are purchasing electricity for the first time (as determined by the department),

8 be deemed an electric company for the purpose of this section.

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SECTION 6. Section 83 of chapter 164 of the General Laws is hereby amended by striking out the last sentence and inserting in

3 place thereof the following sentence:

their gas and electric business only.

Such companies and persons shall at all times, upon request, 4 furnish any information required by the department or its duly 5 authorized employees relative to their condition, management and 6 operation, and shall comply with all lawful orders of the depart-7 ment; but manufacturing companies and alternative energy pro-8 ducers in which the manufacture and sale of gas or electricity is a 9 10 minor portion of their business shall be required to include in their annual returns the income and expenses and other data relative to 11

1 SECTION 7. Paragraph 1 of section 92 of chapter 164 of the 2 General Laws is hereby amended by adding at the end of the first

3 paragraph the following:

paragraph the following:

- , and provided further; that no order shall be issued directing or requiring a cogenerator or small power producer to supply the petitioner with electricity if such cogenerator or small producer is engaged in sales in the commonwealth solely for the purpose of resale or for sale only to customers which are purchasing electricity for the first time (as determined by the department).

SECTION 8. Section 94A of chapter 164 of the General Laws, is hereby amended by adding at the end thereof the following:

Nothing contained herein shall limit the authority of the department to review and approve a contract for the purchase of

5 electricity by an electric utility from a cogenerator or small power

6 producer.

SECTION 9. Section 94G of chapter 164 of the General Laws is hereby amended by adding after the phrase "purchased power charges" in the first sentence of paragraph 4 of subsection (b) the following:

5 —, including power purchased from, or offered for sale by,

cogenerators and small power producers.