

SEBANE



March 25, 2013

Michael Judge
Massachusetts Department of Energy Resources (DOER)
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: 225 CMR-14.00 Amendments

Dear Mr. Judge:

Thank you for the opportunity to present comments on the draft, revised regulations on the **RPS Solar Carve-Out Rulemaking (225 CMR 14.00)** which DOER recently filed for the purpose of making important changes to the current RPS Solar Carve-Out Program.

SEBANE is the original business association of solar energy companies based or doing business in New England and was founded by some of the world's leading solar energy professionals who have also lead the creation the solar markets in our region. **SEBANE's** member companies comprise all sectors of the solar electric and solar thermal industries, including photovoltaic ("PV") cell and module manufacturers, component manufacturers, project developers, system designers and installers, and financial investors. **SEBANE** works to promote the use of solar energy and the development of the solar industry in New England.

First, **SEBANE** applauds the Patrick Administration and the DOER for the creation of solar policies, including the Solar Carve Out program that made the Commonwealth the 6th largest solar market in America in 2012. In fact, on a per capita basis, Massachusetts has become one of the largest solar markets in the country, rivaling sunnier states to the south and west. Further, power exchange data from Europe is now being published that confirms what renewable energy advocates have long claimed: Because PV systems are most productive during the peak electricity usage hours of the day, their output naturally reduces the need for the most costly sources of conventional generation. A recent study by Germany's Institute for Future Energy Systems (IZES), conducted on behalf of the German Solar Industry Association (BSW-Solar), has found that, on average, solar power has reduced the price of electricity 10% in Germany (on the EPEX exchange). It reduces prices up to 40% in the early afternoon, when electricity demand is peaking and electricity typically costs the most (www.izes.eu, www.cleantechnica.com). It's happening in Germany (the world leader in PV), and it can happen here, too. Solar power has already resulted in lower grid costs in the PJM-ISO¹ and, in the near to midterm, this will only continue as the amount of solar deployed grows. SEBANE believes that while awareness of the near to medium term ratepayer benefits of solar policy is little-known, ratepayers of the

¹ <http://asrc.albany.edu/people/faculty/perez/2012b/MSEIA.pdf>

Commonwealth will be enjoying the benefits of this policy now and in the future, thanks to the Patrick Administration's foresight.

RPS Solar Carve-Out Rulemaking

With respect to the proposed changes to 25 CMR 14.00, SEBANE believes that they are reasonable and prudent for both solar industry and for ratepayers.

At the same time, SEBANE notes that the rule and minimum standard formulas themselves are not well understood by ratepayers and even some members of the solar industry. As such, SEBANE cautions that any substantive change to the program introduces uncertainty and could create hesitancy by investors owing to regulatory risk. As such, DOER may consider a simple, clear public and industry educational effort to communicate the mechanics and the intention of the formula change.

SEBANE also supports the DOER's proposal to create a "queuing" system for projects seeking qualification as we approach the 400 MW Solar Carve Out capacity cap. To the extent the requirements for the Solar Carve Out queuing mechanism will be based on the principles and benchmarks adopted in the recently implemented Net Metering for Application for Cap Allocations (ACA), this provides a welcome window to investors as we get closer to the cap. SEBANE supports this effort.

Post 400-MW Solar Policy Development

Regarding the opportunity to address the vision for solar power in the Commonwealth beyond 400 MW, SEBANE again applauds Governor Patrick and the DOER. We now live in a world where the energy choices we make in our communities have a monumental impact – both positive and detrimental – on communities in other parts of our country and around the world. Historically unstable oil regimes and increasingly turbulent atmospheric phenomena have resulted in either spiking energy costs, ever more frequent power outages or both. While the availability of shale oil and gas offers America an on-ramp to a sustainable energy future, we must not turn this on-ramp into a launching pad for more carbon emissions and a narrowed portfolio of energy supply. Solar power, in combination with a robust energy efficiency and renewable energy deployment plan, is the pathway to energy independence. These forums are crucial to soliciting input from the citizenry as well as industry.

SEBANE supports the DOER's objective to provide a new policy in sufficient time to allow the market to smoothly maintain project development and business growth over the transition period. In advance of DOER bringing forward its analysis of policy options for stakeholder input, SEBANE recommends a policy mechanism that establishes and achieves the following objectives for the post-400 MW market. The policy should incorporate:

1. A mechanism that fosters citizen-ownership of the Commonwealth's renewable energy assets. We refer to this as **Power to the People**²;
2. A mechanism that recognizes the value that solar power delivers to the grid while protecting ratepayers from having to pay too much. We call this, **Power to the Grid and the Ratepayers who fund it**³; and,

² <http://www.treehugger.com/renewable-energy/over-half-germany-renewable-energy-owned-citizens-not-utility-companies.html>

³ <http://cleantechnica.com/2012/03/23/german-solar-bringing-down-price-of-afternoon-electricity-big-time-more-charts-facts/>

3. A mechanism that facilitates high penetrations of PV power into the grid and supports job growth from residential, commercial and utility scale installations, as has already been accomplished in Germany. We call this **Power to SEBANE Members and Customers.**⁴

SEBANE members look forward to working with DOER to advance the development of clean energy in the Commonwealth in a way that grows our economy, empowers our citizenry and enables Massachusetts to lead in the 21st Century. Please feel free to contact me with any questions.

On Behalf of the SEBANE Membership,



Thomas W. Thompson
President, SEBANE Board of Directors
Business Development, Advanced Solar Products, Inc.

www.SEBANE.org

cc SEBANE Board of Directors

Mr. Conrad Geyser, Cotuit Solar LLC – Vice President, SEBANE Board of Directors
Mr. John Carroll, Moss Hollow LLC – Treasurer, SEBANE Board of Directors
Mr. Mark Durrenberger, New England Clean Energy – Secretary, SEBANE Board of Directors
Mr. Andrew Reed, Borrego Solar
Mr. Andrew Kinross, Navigant Consulting
Mr. Bill Stillinger, Pioneer Valley Photovoltaics
Mr. Dan Leary, Power Owners

⁴ <http://www.reuters.com/article/2012/05/26/us-climate-germany-solar-idUSBRE84P0FI20120526>