

January 29, 2014

Mr. Dwayne Breger
Director
Renewable Energy Development
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: SREC-II Final Policy Design Comments

Dear Mr. Breger:

I am submitting comments in response to the proposed Solar Renewable Energy Credit, "SREC-II" final program design put forth by the Department of Energy Resources ("DOER") on January 3, 2014. We appreciate the opportunity to comment on DOER's final proposal for the SREC-II program.

Next Step Living, a five-year old energy solutions provider based in Boston, is a mission-driven company where we believe that solar adoption at the residential level is an important step towards mitigating the impact of climate change. We very much appreciate DOER's goal to maintain PV market expansion in a way that aligns with the goals of the Commonwealth. Thank you for your hard work.

We support the SREC-II program and submit the following comments for your consideration:

Incentive value and clarity

Residential consumers make their decisions based on the economics of the value proposition solar power offers. The mechanisms that will increase the cash flow to the customer and/or provide certainty on cash flow would increase the adoption of residential solar.

We applaud your thinking about how to add incentives for residential systems and look forward to the stakeholder process for a residential solar photovoltaic financing program.

We believe that more certainty around the value of SREC IIs will increase solar adoption. To that end, we believe it would be instrumental if you would guarantee that a creditworthy buyer would purchase the SREC IIs at no less than the posted auction schedule. Similarly, knowing the guidelines for determining SREC II values in the years 2025 to 2030 would be extremely helpful.



Net Metering

It is clear that the net metering and virtual net metering policies are key contributors to the adoption of solar PV systems at the residential market level, and we applaud and encourage DOER to continue to support and expand both of these vital policies. We see virtual net metering as necessary in order to provide equitable access to residents of the Commonwealth, especially those not in higher income brackets and living in situations without the opportunity for rooftop solar.

Community-Shared Solar Generation Unit

We strongly believe in community solar. The data shows that 80 percent of residents that want to “go solar” cannot do so for a variety of reasons. Those reasons include, among others, multi-family unit living, home orientation, roof shading and renter status. We believe that community solar will enhance consumer choice and provide access and more social equality for that 80 percent of the market.

We also believe that changing the language of the definition of a Community-Shared Solar Generation Unit will allow the entire population to have access to solar PV ownership and rapidly increase those markets by enabling those residents that by no fault of their own do not have access to solar PV. The current language looks to drive small C&I and in similar fashion we would recommend language that drives residential ownership as well. Our suggested language for revisions to 225 CMR 14.02 is in bold italics below:

Community Shared Solar Generation Unit. A solar photovoltaic Generation Unit that provides net metering credits to two or more utility accounts, whose owners have a formal ownership stake in the Generation Unit or the entity that owns the Generation Unit, and for which the net metering credits provided to each account do not exceed a value in excess of the equivalent of 30 MWh of generation on an annual basis. ***A minimum of 50 percent of any Community-Shared Solar Generation Unit needs to consist of accounts that do not exceed 10 kW DC capacity.***

Transition from the first SREC program to the SREC II program

We are a customer-centric company and feel that uncertainty for residents about which SREC program they will be eligible for between the end of the first SREC program and the start of the SREC II program is a detriment to homeowners trying to go solar in Massachusetts. A solar project becomes eligible for SRECs when the system “has received its authorization to interconnect or permission to operate from its local distribution company.”

Due to the long time it takes from the sale of a system to the time the system has received its authorization to interconnect or permission to operate from its local distribution company and the uncertainty of exactly when the SREC II program will be live, companies like ours are challenged to provide the best possible customer service, because we cannot provide any certainty or clarity to our customers as to which SREC program they will be participating in.



The time from installation to permission to operate is beyond the control of the customer and installer. Town-specific electrical and building inspections and utility approval to operate can each add several weeks to the process. Therefore, many customers who have already made the decision to go solar and are in the process of installing their systems may end up in the SREC II program instead of the original SREC program. Others making the decision now do not know which version of the program they will participate in.

While this may seem to be a minor issue, any uncertainty contributes to a lower participation and action rate for residential solar in the Commonwealth.

To address this uncertainty, we urge you to update the SREC program eligibility criteria for customers "going solar" before the start date of the SREC 2 regulations to make it clear that they will have access to the original SREC program. Specifically, we recommend the following revision (in bold italics) to 225 CMR 14.05:(4)(k)3:

"A Unit that has a rated capacity equal to or less than 100 kW, or has qualified as a Community Solar Project by the MassCEC under its Commonwealth Solar II Rebate Program, which has received its authorization to interconnect or permission to operate from its local distribution company ***or receipt, by DOER, of a signed contract*** by the effective date of a new solar carve-out program established by the Department, or by June 30, 2014, whichever is earlier, and has submitted a Statement of Qualification Application shall be provided a Statement of Qualification." (This statement of qualification would be for the original SREC program.)

Thank you for your time, effort and thoughtfulness.

Sincerely,

Geoff Chapin
CEO