Innovation in Finance, Technology & Policy

September 27, 2019

Massachusetts Department of Energy Resources
Solar Massachusetts Renewable Target (SMART)Program
100 Cambridge St., Suite 1020
Boston, MA 02114
EMAIL: DOER.SMART@mass.gov

Re: Clean Energy Group Comments regarding Proposed Changes to the Solar Massachusetts Renewable Target (SMART)Program - "400 MW Review Public Comments"

Dear Program Director:

Clean Energy Group (CEG) appreciates the opportunity to submit these comments to Massachusetts DOER regarding the proposed changes to the SMART Program. CEG is a leading national, nonprofit advocacy organization working on innovative policy, technology and finance programs in the areas of clean energy and climate change. CEG promotes effective clean energy policies, develops low-carbon technology innovation strategies, and works on new financial tools to advance clean energy markets. Our projects concentrate on climate and clean energy issues at the state, national, and international levels as we work with stakeholders from governments, and the private and nonprofit sectors. CEG created and manages The Resilient Power Project (www.resilient-power.org), an initiative that supports new public policies and funding tools, connects public officials with private industry, and works with state and local officials to support greater investment in power resiliency. CEG does not accept any support from corporations or private companies; it is funded exclusively by foundations and government support.

Below are CEG's comments regarding several aspects of the proposed SMART program expansion:

1. CEG supports the proposed expansion of the SMART program by 800 MW, noting that adding even more capacity to the program would go further toward meeting customer demand, as well as helping the state to meet its renewable energy and emissions goals.
2. CEG supports the proposed requirement that solar deployment greater than 500 KW capacity include energy storage. This requirement should both help the state meet its energy storage target, and it will also help to better integrate higher levels of solar onto the electric grid. CEG urges DOER to specify how much storage should be installed per kW of solar (minimum). CEG would additionally suggest that DOER consider exempting solar installed with storage from the proposed locational subtractors (see number 8 below), providing that the storage would be used in such a way that it helps to alleviate transmission or distribution congestion in these locations.
3. CEG supports the proposed adjustment of SMART program incentives to encourage behind-the-meter (BTM) solar and storage, and to continue the current level of other location-based adders (note, however, that we would suggest an increase in the low-to-moderate-income (LMI) adder, as discussed below).

4. CEG supports the proposed measures to increase LMI participation. This has been a major challenge and a significant shortfall in the existing program. However, we feel that expanding the definition of "low income" and allowing more types of community solar to qualify will likely not be sufficient to achieve significant LMI participation in the SMART program. In addition to these proposed measures, DOER should consider increasing the LMI adder to better address the increased risk, cost and difficulty of financing these projects.

   In considering such an action, DOER may look to California's Self Generation Incentive Program (SGIP) as an example.[1] The SGIP program was established in 2001, so it has a long track record and has been very successful in promoting solar and storage development behind the meter. However, it has not been very successful in reaching the state's disadvantaged communities. To remedy this, in 2017 the California Public Utilities Commission (CPUC) created the SGIP Equity Budget, a 25 percent carve-out of the program's funds reserved for projects in disadvantaged and low-income communities. But despite its good intentions, this carve-out was no more successful in reaching LMI communities. Equity budget incentive rates, initially set at $0.35 per watt-hour, were simply too low to overcome the added financial barriers developers faced in these underserved communities. In addition, outreach and education were minimal, as was coordination with complimentary programs. In fact, while Equity Budget funds have been available for well over a year, not a penny of the existing $72 million in available funds has been allocated toward an energy storage project in these communities.

   Just this month, the CPUC took steps to address the issue, increasing the equity budget incentive level from $0.35/Wh to $0.85/Wh and making other changes, such as stipulating that no developer cap should be applied to the resiliency budget.[2] It is hoped that the increased incentive rate will move the needle on LMI storage and solar projects in California. Similarly, DOER may need to consider increased LMI adders to overcome low levels of participation among Massachusetts' underserved communities.

5. CEG supports the proposed requirement that electric distribution companies accept inverter readings wherever possible, rather than requiring utility-owned revenue grade meters. We have heard numerous reports that customers and developers are frustrated by utility requirements that SMART projects with storage include multiple meters, adding cost and other implementation barriers to projects. This is often an unnecessary expense. For example, Green Mountain Power in Vermont requires no meters for its Resilient Home program battery customers, instead taking data directly from the inverters.[3]

6. CEG supports the proposed exemption of storage systems from SMART cycling requirements in favor of DR signal responses. Cycling these devices in response to peak demand price signals will better ensure that ratepayers receive value from these systems, and it is a more sensible use of BTM batteries than the current SMART program requirement to cycle batteries 52 times per year.

7. CEG supports the proposed increase of the public offtake adder (to support more municipal projects). Municipal projects often provide important community services and can help to increase awareness of the value of solar and energy storage.

[1] https://sites.energycenter.org/sgip/statistics
[2] http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M312/K769/312769783.PDF
[3] https://greenmountainpower.com/product/powerwall/

8. Regarding the proposed development of a preferred interconnection adder/subtractor that would incent projects in areas where solar is needed, and penalize projects in more congested areas, CEG suggests that DOER consider exempting solar installed with storage from the proposed locational subtractors, providing that the storage be used in such a way that it helps to alleviate transmission or distribution congestion in those locations.
9. CEG supports the proposed strengthening of consumer protections, including a requirement that projects serving low income customers demonstrate that the customers will receive direct savings.

Thank you for your consideration of these comments. Please let us know if we can answer any other questions pertaining to this filing.

Respectfully submitted this 27th day of September, 2019.

Sincerely,

Todd Olinsky-Paul

Todd Olinsky-Paul
Project Director
Clean Energy Group, Inc.
50 State Street, Suite 1
Montpelier, VT 05602
Telephone: 802-223-2554
Email: Todd@cleanegroup.org