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By email to: DOER.SMART@mass.gov

September 27, 2019

RE: 400 MW Review Public Comments

Dear Sir or Madam:

Associated Industries of Massachusetts (AIM) is pleased to provide the following comments to the September 5, 2019 straw proposal for the Commonwealth SMART Solar Program. The Department is required to conduct a review of the base compensation rates, compensation rate adders, and overall cost impact to ratepayers under Section 5 of 225 CMR 20.00.

AIM is the largest general trade association in Massachusetts. AIM's mission is to promote the prosperity of the Commonwealth of Massachusetts by improving the economic climate, proactively advocating fair and equitable public policy, and providing relevant, reliable information and excellent services.

AIM was involved in the development of the SMART program and has supported its implementation. Many AIM members have utilized the SMART program incentives to control or lower their energy costs and reduce their climate impact. AIM supports the intent of the 400 MW review - to continue to achieve the environmental and economic benefits of increasing solar installations in the Commonwealth.

Of primary importance to AIM members is the continued support and compensation adjustment for behind the meter (BTM) installations. AIM is pleased that DOER has recognized the importance of BTM installations and wants to encourage more BTM projects. In addition to helping reduce costs, BTM projects can also reduce interconnection issues and, when paired with storage when appropriate, reduce capacity costs through peak shaving. BTM projects can be installed at a much better benefit-to-cost ratio to ratepayers than other types of systems.

DOER correctly points out two issues that over time are discouraging BTM installations - the exported energy compensation rate and the overall impact it has on the financial viability of the system and the method of calculating the value of energy for the SMART incentive payment which results in a negative incentive value for later capacity blocks.

While DOER's suggestion to expand Alternative On-Bill Credit (AOBC) availability to BTM installations will help, we believe there is a better way.

Speaker Pro Tempore Rep. Patricia Haddad has filed HB 2866, *An Act Relative to Net Metering for On-site Renewable Energy Facilities* to specifically address these issues and we believe HB 2866 is a more inclusive solution.

HB 2866 as originally filed exempts private Class II and III facilities from the aggregate net metering capacity provided they support on-site load. Based on feedback from the solar community and others, we believe HB 2866 could be amended to support a broader range of projects, such as exempting all public and private Class I, Class II and Class III net metering facilities from the aggregate net metering capacity provided they serve on-site load. There is wide support in the business community for the original bill and these amendments.

HB 2866 is simpler than expanding the AOBC and a more permanent solution for the issues surrounding BTM installations. We urge that DOER work with AIM and other trade associations, Speaker Pro Tempore Haddad and members of the Joint Committee on Telecommunications, Utilities and Energy to pass an amended HB 2866.

In addition to supporting the above changes to BTM incentives, AIM generally supports the following: the expansion of the program by at least 800 MW (DOER should consider 1600 MW); the incentive decline by 2% per block for behind-the-meter systems, and by 4% for standalone systems; and the strengthening of consumer protection standards to maintain the integrity of the program. We also support DOER's review of the greenfield subcontractors to make sure that the program results in diversity in various types of projects.

While we support energy storage, we do not completely support the mandate that all systems greater than 500 kW be paired with storage. There may be instances where storage is simply not a viable option within the constraints of the project. For instance, there could be local zoning/permitting restrictions or there may not be an economic case to add storage to the project. We urge that energy storage be strongly encouraged, not mandated, within SMART. AIM believes that as more BTM systems apply to SMART there will be higher storage adoption. We do not support SMART adding unnecessary costs to businesses who install solar.

Thank you for allowing us to make these comments and we look forward to working with your office in any way possible on this and other issues.

Should you have any questions please do not hesitate to contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Robert A. Rio". The signature is fluid and cursive, with the first name "Robert" being more prominent than the last name "Rio".

Robert A. Rio, Esq.
Senior Vice President and Counsel
Government Affairs