



September 27<sup>th</sup>, 2019

Commissioner Judith Judson  
Eric Steltzer, Acting Director, Renewable and Alternative Energy Division  
Department of Energy Resources  
100 Cambridge Street, Suite 1020  
Boston, MA 02114

Commissioner Judson and Mr. Steltzer:

Black Bear Energy is a Boulder, Colorado based firm specializing in working with property owners to adopt clean energy solutions at their properties. We represent over 55 institutional property owners who in aggregate own, manage or control over 4 billion sqft of properties across North America. In the first round of SMART, our clients properties submitted for 19 MW of rooftop and carport projects. We appreciate the Department's work to ensure that the Commonwealth achieves its energy and climate goals and provides continuity for the solar industry in the state. With the state's proposed 400MW review underway, we believe the Department has an opportunity to modify the program to better support solar on already developed sites, particularly rooftops and parking lots. Several changes can facilitate adoption of solar both at properties where the building occupant is the offtaker of the project's generation and where the building owner acts as a host for a stand-alone project.

Specifically, we'd like to provide three recommendations in response to the Department's presentation released earlier this month:

- 1) Implement the proposed fixed rate for locational adders for rooftop and carport projects<sup>1</sup>**
- 2) Apply the 2% block rate reduction proposed for behind-the-meter projects to standalone projects sited on rooftops or carports<sup>2</sup>**
- 3) Do not require projects over 500kW to include energy storage if they are located on a rooftop or carport<sup>3</sup>**

As a firm focused on real estate we support our clients both as users of solar and energy storage, but also as hosts for "stand alone" projects. Many properties may have substantial roofspace or parking space that could host a solar project, but cannot use the energy behind-the-meter due to insufficient load or the building being occupied by tenants. The SMART program creates an opportunity for these property owners acting as hosts to contribute to the state's energy goals while earning lease revenue.

---

<sup>1</sup> Presentation at Slide 10

<sup>2</sup> Slide 6

<sup>3</sup> Slide 6

### **Implement the proposed fixed rate for locational adders for rooftop and carport projects**

We are encouraged to see the Department fixing the locational adders at their original rates. We agree that while innovation continues to drive down the cost of solar modules, other cost components of projects are not reduced as more solar is deployed. Steel and aluminum prices, particularly considering recent import tariffs, raise considerably the cost of doing canopy projects. Lease payments, which are higher in denser areas with higher property values, do not decline as more solar is deployed. Some costs will only rise as more systems are put on roofs. As the “best” roofs are identified there will need to be systems placed on less ideal locations, including roofs with many obstructions (e.g., HVAC equipment) and which will need the roof to be removed and replaced during the term of the SMART tariff. Maintaining rooftop and carport incentives at a flat rate is a wise modification in light of the flat or rising costs associated with these projects.

### **Apply the 2% block rate reduction proposed for behind-the-meter projects to standalone projects sited on rooftops or carports**

Many rooftops that are ideal for a stand-alone project will be suboptimal or impossible as a behind-the-meter system. The Department sees benefits in supporting behind-the-meter systems, which is why it proposes that blocks only decline by 2% for behind-the-meter systems while they decline by 4% for “stand alone” systems. However, many “stand alone” systems on rooftops or carports face the same incremental costs as behind-the-meter systems while also delivering the same benefits of offsetting load and avoiding the development of open land. The Department should apply the 2% block decline to any project with a building-mounted or canopy adder to assure that the value of fixing the adder is not negated by the declines the block rates. This will be particularly true as Eversource capacity becomes combined, with lower cost systems in Western Massachusetts consuming capacity and lowering base compensation rates as the cost of rooftop in Eastern Massachusetts remains flat or rises.

### **Do not require projects over 500kW to include energy storage if they are located on a rooftop or carport**

BlackBear energy is supportive of the state’s energy storage goals and the SMART program’s support for energy storage. Indeed, BlackBear has deployed over 15MWh of energy storage to either serve our clients’ own needs or to serve grid needs while our client acts as a host. However, while we imagine many property owners will find merit in deploying storage, requiring projects over 500kW to have energy storage creates impediments to taking advantage of the rooftop solar potential of the state. Given the weight of energy storage systems, the project site would need to use valuable space in or beside the building. In addition to creating an additional system cost (in the form of a higher lease payment or use of facility space that could be available to other uses) many jurisdictions are still grappling with how to permit energy storage systems. The costs and risks to permitting that would come from a storage mandate are not warranted by the need that mandate is trying to address. We understand the intent of the storage mandate to be mitigation some of the grid integration issues that Massachusetts is seeing in the western part of the state as interconnections become more challenging with greater penetrations of PV on lightly loaded circuits. However, most of the rooftop facilities that will be deployed in the state are in denser areas in the East and are adjacent to load, with the buildings underneath and besides the facility effectively using the energy produced. Should the Department move

forward on a mandate for storage systems, it should exempt projects receiving rooftop or carport adders.

### **Conclusion**

Thank you and the rest of the staff at the Department for your work to improve and expand the SMART program. We appreciate the opportunity to comment and are happy to answer any questions you may have. Please feel free to contact me at 303.330.7432 or [atorbin@blackbearenergy.com](mailto:atorbin@blackbearenergy.com).

Sincerely,

A handwritten signature in black ink, appearing to be 'D. Torbin', written over a light blue horizontal line.

CEO

Black Bear Energy  
1216 Pearl Street  
Boulder, CO 80302