September 27, 2019

SUBMITTED VIA EMAIL: DOER.SMART@mass.gov
Massachusetts Department of Energy Resources
100 Cambridge St.
Suite 1020
Boston, MA 02114

RE: SMART 400MW Review Straw Proposal that was released on September 5, 2019

To whom it may concern:

Our company began developing under the Solar Carve-Out II (SREC II) Program, with 80% of our pipeline comprised of rooftop projects. When the Solar Massachusetts Renewable Target (SMART) Program was announced on November 26, 2018, the accompanying regulations sent a clear and unambiguous message.

1. The Department of Energy Resources (DOER) encourages the development of larger projects – increasing the maximum size to five megawatts.
2. They intend to expand community solar programs to reach a wider demographic of ratepayers. These types of projects were stunted by the SREC II program's utility load zone limitations.
3. Greenfield development would be discouraged. Land use criteria dictated where the DOER wanted developers to build; mainly, non-agricultural land that was previously developed or has special solar zoning pre-ordained by the towns.

The proposed regulations after the 400-megawatt review upend these concepts completely, and leave developers of large-scale community and low-income projects in a lurch.

Segueing from the SREC II to SMART, many developers had previously established relationships with landowners in the Commonwealth. We predicted Western Massachusetts and the National Grid territory would fill up within the first month. Therefore, we concentrated our efforts in brownfields, previously developed land, and solar zoned towns in the Eversource SEMA utility zone. This decision was **based on the SMART regulations; it was a clear program goal to utilize all the capacity in Eversource especially since Eversource lags behind National Grid in every solar program**.

We also recognized Eversource's dense population of offtakers. After all, Eversource includes the city of Boston as well as her outlying suburbs. Unrestricting load zones and allowing for larger projects in Southeastern Massachusetts meant more solar opportunities for a larger demographic of people. Ratepayers, who can't afford to own a system. Ratepayers, who live in an urban environment where solar installation is impossible. And ratepayers, who are oppressed by high electric rates. Under SMART they can now take part in the savings recognized in the western parts of the Commonwealth as an offtaker. **With large scale community projects built in Eversource SEMA, through the SMART incentives, developers can enter into affordable contracts with a larger part of the population; bringing environmental justice to those communities who were overlooked by past programs.**

Adders incentivizing low income and community solar in addition to the open load zones drove our interpretation. Our decision was logical and strategically sound when considering the potential for improved value and environmental benefits to a previously ignored area. We moved off rooftops, a segment that had run its course in the city limits, and toward large-scale ground mount systems. Directing focus to the regions specified in the new regulations with intention to serve a broader range of low-income offtakers than we ever could SREC II.

Seemingly, the SMART program succeeded in promoting Community Solar, however, allotments for Low-Income Community Shared Solar remain despairingly low. As of the writing of this letter, the Community Shared Solar Tranche is currently at Tranche 11 with over 550 megawatts allocated and over 60 more megawatts pending. Unfortunately, simple math will show you that this is an unequal distribution across the Commonwealth; consisting mostly in the National Grid Territory. Eversource only has about 140 megawatts in total allotted to the SMART program with 23 megawatts pending. Meanwhile, National Grid capped out with 516 megawatts allotted, 82 megawatts pending, and 22 megawatts currently on a waitlist. Clearly, the bulk of the community projects are not in Eversource. This disparity isn't fair to the ratepayers across the state. The program's structure created a race for incentives. Particularly in the shared offtaker based Tranches where Eversource must compete with National Grid despite less open, available land and denser populations.

This brings us to the land use categories. As mentioned before, we followed the regulation to solar zoned areas in Eversource. The downside of solar zoned land is the limited availability and increased complexity of the sites. The terrain challenges escalate engineering and building costs. The benefit of developing these projects under the SMART program is the absence of subtractors for land-use. Thereby, making the project economically viable despite the added development costs. Under this premise, **we have worked over two years on various projects.** We have entered lease contracts with substantial monthly rent payments; hired engineers; and worked with town officials to get projects ready for construction start. **We've committed well over $2 million dollars** on Phase I studies, engineering, interconnection application and study costs, permitting, and Investment Tax Credit Safe Harboring. For reference, please see our attached project list outlining when we entered into agreements with the landlords, the utility, and engineers. **We diligently worked to develop projects that were ready to begin construction.** The only truly pending item is the interconnection which was waitlisted in the queue about nine months ago. Permitting approval will be complete in the next month or two.

When the 400MW Review was triggered, we felt comfortable and remained assured that our development efforts were properly focused based on the plain reading of the regulations. This assumption was aided by the DOER's historic efforts to soften the detrimental effects of major changes to regulations by implementing beneficial milestones to comfortably, fairly and appropriately transition. However, months later and with the program almost half subscribed with 765 megawatts allocated, **the proposed changes under the 400MW Review leave no room for salvaging any of our investments.** We are looking at a complete financial and timing loss.

We understand from the 400MW Review Stakeholder Meeting held on September 14th, 2019 that the kneejerk reaction to penalize solar zoned land is due to the complaints **from towns in Western Massachusetts** regarding greenfield development. We would like to state the obvious here – these are complaints in National Grid's territory. A territory that is currently grossly oversubscribed. **Eversource still has many blocks to fill and our discussions with towns have made it clear that they want solar**.

Perhaps your consultants advised all things are equal across the state. This is clearly not the case. Especially since Eversource contains the bulk of the population that would benefit from offtake. If the DOER truly wants to bring solar to low-income ratepayers, environmental justice areas, and urban dwellers then perhaps you need to treat the two largest utility territories differently. As stated above, National Grid always exceeds program caps while Eversource barely makes it halfway. Keep the rules as they are and deny expansion of the program in National Grid. You can change the rules of the game in the next iteration of the program.

There is also the issue with the proposed adders and subtractors based on transmission saturation. This is likely being pushed by, and for the benefit of, the utilities. We are aware of the transmission crowding in the Massachusetts grid. We have several projects waiting in interconnection queues as the utility slowly reviews each project singularly, drawing out the interconnection process. We also understand the costly upgrades necessary with the high volume of projects looking for interconnection. We are paying for the upgrades out of pocket. This benefits the utilities and the ratepayers. The proposed rule seems like yet another attempt by the utilities to slow down work and development. Again, blocking potential offtakers from savings, and ratepayers from the benefits of a modernized transmission system. This doesn't even account for the fact that the DOER has not proposed a solution for implementing this type of regulation. We know that the DOER is working closely with the utility on this issue. However, we can't understand why they would be behind a directive that so blatantly goes against the original goals of the program stated in §20.1 of 225 CMR 20.00.

Reaching further, **we believe the proposed changes will have a chilling effect on the future of any program**. Larger profit margins will be needed to entice developers to participate in a program where drastic changes are made at short notice resulting in great losses. **We believe in a goal that jointly finds solutions to lower the costs to all stakeholders, especially the ratepayers**. There are many ways to streamline the entire development process and reduce cost without risking the future development prospects under the SMART program.

In consideration of the above, **we recommend eliminating all penal aspects of the subtractors until SMART has met its capacity.** If you do choose to move forward with the changes, we feel milestones should be implemented with the purpose of gradually penalizing larger systems; as was done when SREC II was transitioned to SMART gradually stepping down the SREC factors. Alternatively, **we suggest a different metric, such as using permitting**

documents, interconnection application date, or proof of continuous development expenses. This takes the utility out of the equation, giving projects that submitted interconnection applications shortly after SMART opened a chance to make it to completion. In the Fitchburg presentation, Kaitlin Kelley stated that the DOER would not implement this type of metric due to the logistics of reviewing those documents fairly. However, it's already been done successfully in the past. If you remember the grandfathering for the SREC II extensions, proof of continuous development was utilized in the form of a construction contract for submission by a set date (not an ambiguous "whenever its filed"). Using a concrete timeline of milestones and implementing a different metric for eligibility wouldn't be any different compared to past DOER processes.

We close with respect for the department(s) decisions that lie ahead as they oversee the 400MW Review of the SMART program. We hope you take our story, comments, and concerns to heart as you consider the path you are forging for the Commonwealth of Massachusetts. The future is renewable and like you, we are working to create a better, fairer, more sustainable world.

Sincerely,

Erica Buster
Vice President, SunConnect Corporation

/attachment

Attachment 1 – Project List

Project A

Project Milestone	Date Milestone Completed	Days lapsed before/after SMART Launch* to Milestone Completion
Lease Date:	4/4 /2018	236 days BEFORE
IX App Date:	12/19/2018	23 days AFTER
Civ Engineer Contract	10/12/2018	45 days BEFORE
Electric Engineer Contract	10/5/2018	52 days BEFORE

Project B

Project Milestone	Date Milestone Completed	Days lapsed before/after SMART Launch* to Milestone Completion
Lease Date:	4/10/2019	136 days AFTER
IX App Date:	4/15/2019	139 days AFTER
Civ Engineer Contract	5/20/2019	175 days AFTER
Electric Engineer Contract	4/8/2019	134 days AFTER

Project C

Project Milestone	Date Milestone Completed	Days lapsed before/after SMART Launch* to Milestone Completion
Lease Date:	1/7/2019	42 days AFTER
IX App Date:	2/8/2019	74 days AFTER
Civ Engineer Contract	1/24/2019	59 days AFTER
Electric Engineer Contract	12/24/2018	28 days AFTER

Project D

Project Milestone	Date Milestone Completed	Days lapsed before/after SMART Launch* to Milestone Completion
Lease Date:	4/3/2019	128 days AFTER
IX App Date:	4/12/2019	138 days AFTER
Civ Engineer Contract	5/20/2019	175 days AFTER
Electric Engineer Contract	4/1/2019	126 days AFTER

**SMART Program Launch: November 26, 2018*