

September 27, 2019

[DOER.SMART@mass.gov](mailto:DOER.SMART@mass.gov)

Massachusetts Department of Energy Resources  
100 Cambridge Street, 10th Floor  
Boston, MA 02116

## **RE: SMART 400MW Review Public Comments**

To the Renewable and Alternative Energy Division,

Please accept these comments in response to the SMART 400MW Review Straw Proposal. Our company, Catalyze LLC, develops, owns and operates solar, storage and electric vehicle charging assets across Massachusetts. Based in Framingham, MA, Catalyze employs over 20 people, and is currently developing dozens of commercial-scale projects in the Commonwealth.

Below, we have outlined comments of support, additional areas for consideration, and areas of improvement. We hope these comments will be incorporated into DOER's Emergency Regulation filing in November, 2019.

### **Comments in support of the Straw Proposal:**

1. ***We support the new requirement that all projects over 500kW will have to incorporate storage.*** The cost of storage has rapidly declined, and forecasts predict further declines for years to come. Storage has been shown to create considerable value for ratepayers as well as across the distribution grid by reducing peak grid demand, deferring infrastructure upgrades, avoiding or deferring new power plant construction, and avoiding transmission costs. Given these factors, we believe requiring storage from projects >500kW will serve to benefit the Massachusetts grid and ratepayers overall.
2. ***We support expanding Alternative On-bill Credit (AOBC) availability to behind-the-meter facilities.*** We believe this is an intuitive revision that will support more behind-the-meter installations. This change will allow the construction of larger rooftop systems and canopy projects that will benefit from improved economies of scale that help to further incentivize commercial property owners to participate in the SMART program.
3. ***We support eliminating Rate of Decline for Location Based Adders.*** We agree with DOER's assessment that there are fixed incremental costs and that declining location-based adders would send the wrong price signal to the market. Location based adders have served as an important price signal to encourage the development of projects that more favorably utilize land and create additional system-level value.

### **Comments addressing additional areas for consideration:**

1. ***With the new requirement that projects >500kW include storage, we recommend that Electric Distribution Companies (EDCs) be required to allow standalone systems to participate in Demand Response programs.*** Demand Response programs such as Daily Dispatch create system-wide benefits across the grid by reducing the need to dispatch costly peaker plants, and by reducing the maintenance burden associated with maintaining the grid for a handful of peak events. Given the system-wide benefits of incorporating distributed storage onto the grid, we believe it is intuitive to allow standalone systems to participate in these programs.

2. **We recommend requiring utilities to bare some/all of the interconnection cost for solar + storage projects, where storage can be shown to create value via deferred upgrades or additional capacity on the distribution grid.** Well sited distributed storage creates a variety of valuable benefits to EDCs, including reducing peak grid demand, deferring infrastructure upgrades, avoiding or deferring new power plant construction, and avoiding transmission costs. We believe that some of that value can be captured by requiring EDCs to bare a portion (up to 100%) of the interconnection cost of solar + storage projects.

**Comments that highlight potential ways to improve the Straw Proposal:**

1. ***We believe that Electric Distribution Companies (EDCs) should not be allowed to conduct their own cluster studies, and that future studies should be conducted by DOER.*** Circuit congestion is a serious concern and we agree that it needs to be addressed in order to maintain grid reliability. However, it appears that National Grid is using safety and reliability as an excuse to delay a considerable number of projects from moving forward. Given National Grid's history of delay tactics and bad faith negotiation tactics, we feel it is prudent to move the responsibility of conducting cluster studies under the purview of DOER.
2. ***In an effort to encourage more behind-the-meter installations, we recommend NOT declining Capacity Blocks for behind-the-meter projects.*** DOER has made it clear in its proposal that it believes that BTM projects provide a variety of benefits to the grid. We wholeheartedly agree with this assertion, and in an effort to encourage more BTM projects we recommend freezing capacity block values for BTM systems.
3. ***Given the upfront cost of seeding land with pollinator friendly flowers, and the on-going maintenance cost associated with tending to those flowers, we recommend that the Pollinator Adder be increased to \$0.015/kWh.*** We recognize that the proposed Pollinator Adder is an innovative way to encourage multi-use land development, while also providing crucial habitat for pollinators and wildlife species. However, we do not believe the current adder is a strong enough price signal to stimulate high rates of adoption.
4. ***We recommend that additional MWs be added to the program as we believe 800MW is inadequate to meet the state's goals. We believe that a program expansion of 3600MW is better suited to meet Massachusetts's RPS goal of ~35% by 2030.*** Expanding the program to 3600MW will not only allow the Commonwealth to achieve its renewable energy targets, it will also create much needed market stability for years to come.

We appreciate the opportunity to submit comments and recognize the critical role that the SMART program plays in facilitating our rapid transition to renewable energy in Massachusetts.

Thank you for your hard work and dedication to making the SMART program work for stakeholders throughout the state. We very much appreciate DOER's thoughtful, inclusive and forward-thinking approach to evolving the SMART program to meet a variety of important goals.

Sincerely,

Nick Kerwin  
Director of Policy & Regulatory Affairs  
Catalyze LLC