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Manager, Solar Programs  
Massachusetts Department of Energy Resources  
100 Cambridge Street, Suite 1020  
Boston, MA 02114

Commissioner Judith Judson  
Department of Energy Resources  
100 Cambridge Street, Suite 1020  
Boston, MA 02114

September 27, 2019

Dear Ms. Kelly & Commissioner Judson:

CEC has been active in developing and building Community Solar Projects in Massachusetts since 2013 (including the Commonwealth's very first two Community Solar projects), and has developed more than 50 projects under the SREC I, SREC II and SMART programs from our office in Auburn, MA.

CEC appreciates the opportunity to provide our perspective on the many complex issues that DOER is seeking to address in its 400 MW Review of the SMART Program; and is hopeful that our comments help to inform the discussion as we continue to work collectively to advance Governor Baker's ambitious greenhouse gas reduction and climate resiliency goals. Our specific comments on the Straw Proposal fall under the following nine categories:

**Program Expansion of 800 MWs – CEC Response: Disagree**

- An 800 MW expansion neither addresses the underlying need as expressed by the GHG reduction goals, nor does it provide adequate run-way under which the the industry can develop
- Recommendation:
  - Increase the program size by at least 3,200 MWs, conducting regular reviews at 800 MW intervals

**Greenfield Subtractor and Land Use Changes – CEC Response: Disagree**

- While CEC agrees with the idea of protecting certain lands from development, the increase in the Greenfield Subtractor is in direct conflict with the program's original intent and the rules that were published for its implementation, while also removing the authority to control development from local communities and towns
- The broader set of changes, if implemented as proposed, would retroactively penalize the businesses that invested into projects under existing guidelines, exempts public projects from the same treatment and effectively ends large-scale community solar projects, which benefit the public the most

- CEC currently has 7 projects that are fully developed but lack ISAs from the utility. These projects have been unable to obtain ISAs due to the Transmission Study in NGRID and the serial study process adopted by Eversource. CEC's total investment of \$1.2 million would be lost if the transition was made effective as DOER has proposed
- Recommendations:
  - The 5x increase in the Greenfield subcontractor is not necessary and should be abandoned. Between the interconnection difficulties presented in NGRID's service territory and the current Block 9 rates in NGRID and Eversource West, large scale solar projects do not work economically in the western part of the state
  - Leave projects in Category 1 that have received local zoning board approval
  - Treat Community Solar projects in the same fashion as proposed for public entity projects, exempt them from the greenfield subcontractor and increase their adder
  - In keeping with prior practice by DOER, when transitioning from one program to another, exclude projects from these changes that have already filed their interconnection applications and started their permitting processes, as of the effective date.
    - Choosing a cut-off date is impractical at this time, as projects are affected by NGRID's Transmission Study – which stretches into mid-2020 – and Eversource's decision to study projects in serial fashion. These projects cannot apply for an SOQ, as they cannot obtain an ISA from the Utilities
  - Delay the proposed requirement of projects larger than 500kW including storage until a more thorough review can be completed with stakeholder input, including fire and safety officials, building owners, landowners, towns and battery manufacturers

## **Low and Moderate Income – CEC Response: Conditional Support**

- CEC supports the expansion of the Low-Income definition. However, CEC does not support allowing EDCs and Community Aggregators into the Community Solar marketplace without further clarifications and protections for the community solar industry
- Recommendations:
  - Eliminate the undefined EDC and Community Aggregator concept until it is fully defined and vetted
  - Support consolidated billing, such as what is called for under HB 2843

## **Dual-Use Agricultural – CEC Response: Conditional Support**

- CEC supports expansion of qualification as proposed but does not support new restrictions on dual-use agricultural uses or guidelines, until they are fully reviewed and vetted by all stakeholders, in particular the farming community

- Recommendation:
  - As has been done previously under DOER's direction, form a permanent Land-Use Working Group of stakeholders, including farmers, to review and revise the dual-use program to enable a broader application of this important section of the program

## **Pollinator Adder – CEC Response: Conditional Support**

- CEC is interested in the introduction of a Pollinator Adder but cannot fully endorse the concept or assess the appropriate value without all of the necessary detail regarding qualification criteria and the cost to maintain qualification
- Recommendation:
  - Send this to the Land-Use Working Group and direct them to sort out a fully-defined Pollinator Adder for public review

## **Interconnection Adder/Subtractor – CEC Response: Disagree**

- CEC cannot support the creation of an interconnection adder/subtractor which is neither defined nor is in the best interest of the program. Interconnection costs for projects located away from load serve as a more effective deterrent, and will create the desired results. NGRID's current interconnection costs for projects in the western part of the state will eliminate many of the projects that require significant distribution system upgrades.
- Recommendation:
  - Create a locational-based adder or incentive for siting projects nearer to load or allow the utility to rate-base the costs of system upgrades in desirable areas

CEC provides further commentary on the following items which were not addressed in the review for the benefit of DOER Staff:

## **Projects Dropping-Out or Downsizing**

- CEC knows there will be a significant volume of projects that either downsize or drop-out, due to high interconnection costs. CEC has multiple projects we are redesigning with NGRID to try and reduce their interconnection costs and make the projects economically viable. While we are hopeful some projects can be downsized and saved, we know some projects will not be able to move forward. We also know this affects the entire industry and in particular for projects in the western part of the state.
- Recommendation:
  - Publish how DOER will address the downsizing and fall-out of projects from existing SOQ blocks. More specifically, allow all projects to move up the Blocks as capacity is made available.

## Community Solar Adder

- CEC internal analysis shows that the CS Adder is now too low to compensate project owners for the costs of acquiring, billing and collecting from community solar subscribers. Project owners are better off building projects as Qualified Facilities and forsaking the CS Adder.
- CEC is also concerned that there will be attrition from the CS Adder awards as DOER's new rules are implemented, leaving projects that intend to maintain their CS Adder in lower valued Blocks than is appropriate
- Recommendations:
  - Fix the Adder at \$.04/kWh and stop the declining block value
  - Move projects up the Blocks as projects with SOQs drop their CS Adder

## Base Block Rates in NGRID and Eversource West

- CEC internal analysis shows that the Base Block 8 rates in NGRID and Eversource West are too low to complete projects. This analysis is further bolstered by the fair market pricing request CEC ran over the past 8 weeks, in which CEC asked 12 of the largest asset owners and their associated financiers to price projects. The results were disappointing, not a single asset owner would purchase, or finance projects at this low a base compensation rate.
- Recommendations:
  - Re-examine the rates for NGRID and Eversource West with input from solar stakeholders. In particular, look at the costs associated with building and operating these projects in the state, as the underlying costs are significantly higher than in other states.
  - Re-examine the assumed interconnection costs from the original SMART economic models and compare those to current costs being delivered by the utilities

CEC again thanks DOER for your consideration and looks forward to participating in the ongoing development of an effective regulatory framework which will enable Massachusetts to achieve its ambitious climate goals. We would be more than happy to meet with you in person to discuss these important issues, to provide our analyses which underpin our comments above and to answer any other questions you may have.

Sincerely,



Thomas P. Sweeny III  
President Renewable Assets