



September 27, 2019

Delivered electronically to DOER.SMART@state.ma.us

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

RE: 400 MW Review Public Comments

Dear Commissioner Judson,

Thank you for the opportunity to provide comments on the SMART 400 MW review straw proposal. We appreciate the Department's careful review of the SMART program and especially your efforts to ensure that low income communities and households effectively benefit from the SMART program. However, we believe that the current structure of the SMART program and the changes proposed in the straw proposal do not go far enough and keep existing barriers to low income participation, especially for low income households, in place. In August, BlueHub Capital, Vote Solar and Resonant Energy, supported by over 20 other organizations, submitted recommendations that would address these barriers. Today, BlueHub, Vote Solar and Resonant are submitted an expanded proposal by separate cover. We urge you to incorporate that proposal in the revised SMART regulations.

BlueHub Capital (formerly Boston Community Capital) is a thirty-four year old community development finance institution dedicated to building healthy communities where low-income people live and work. Since 2008, BlueHub Capital has been working through its affiliate, BlueHub Energy (formerly BCC Solar Energy Advantage), to develop innovative financing and business models to expand access to solar in low-income communities. We presently own and operate approximately 7 MW of solar capacity on over 70 Massachusetts solar projects. These projects primarily serve affordable, multifamily housing developments. We also have projects that benefit non-profit organizations and municipal facilities, such as the Greater Boston Food Bank. Finally, our Onset Shared Solar pilot program delivers

approximately \$500 in annual bill credits without a contract to low income households and is the basis for our proposal.

While our joint proposal with Vote Solar and Resonant provides detailed recommendations, this letter emphasizes several key issues that are the basis for that proposal.

As evidenced by the very low number of projects with initial qualifications for low income community solar and low income property projects in the SMART program, there are a series of barriers in the SMART program regulations and tariff that limit low income participation. Of the projects that have received initial qualifications under SMART, only a very small percentage are for low income community solar (LICSS), low income property or low income solar (under 25 kW) projects. Even those projects with initial qualifications for low income community solar are finding it difficult or impossible to meet the requirements. And, as DOER is aware, many of low income solar projects (under 25 kW) have troubling contracts that would make low income customers lose money.

We see four main barriers to material low income participation in the SMART program:

1. The need to sell bill credits to offtakers as the mechanism for delivering benefits and savings to those offtakers and generate sufficient revenue to support the solar developer's costs.
2. Requiring a contract and payment for bill credits is complicated, expensive and potentially disadvantageous for offtakers, especially low income households.
3. The net economic value for a developer of low income community solar and low income property projects is typically lower than a qualified facilities project, despite the adders.
4. Many households struggling to pay bills or interested in participating in solar are not on the low income discount rate yet do not qualify for conventional community solar projects.

Throughout the SMART development process and through our role as intervenor in the DPU's SMART tariff proceeding, BlueHub has identified these a significant barriers and proposed alternatives that allowed bill credits to be delivered to offtakers without

the need for a contract. We appreciate that DOER's straw proposal begins to address these barriers. We also recognize that there is a growing consensus that a non-payment allocation of bill credits is critical to serving low income households. However, the straw proposal is neither detailed nor comprehensive enough to overcome these barriers. We fear that it would be another missed opportunity to connect low income communities and households to the benefits of clean, solar electricity. On the other hand, if our proposal with Vote Solar and Resonant is adopted, we believe that it could deliver greater savings for more low income households than any other solar program in the country. For example, if 400 MW of LICSS were developed under our plan, we project that 70,000 customers on the low income discount rate could offset approximately half, or \$500, of their annual electricity costs.

As described in our joint letter, the key elements of our proposal are:

- Create a "no payment option" that allows the value of the SMART incentive, not energy value, to be split between a bill credit to offtakers and a direct payment to the solar owner
- Require a minimum % of the applicable adder be allocated as a bill credit to 100% of the eligible offtakers with no payment or contract obligations to be eligible for the "no payment option"
- Designate projects that select the "no payment option" as Qualifying Facilities (QF) that would receive payments for energy at the QF rate as a direct payment
- Create a new Environmental Justice (EJ) Adder to serve households residing in selected EJ neighborhoods but not serve by LICSS or regular CSS projects
- Establish target savings for offtakers of LICSS and EJ projects
- Allow the "no payment option" for LICSS, LI Property, Low Income (under 25 kW) and EJ projects
- Maintain adder values at their initial levels

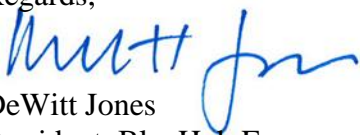
As we have noted, we have consulted with many stakeholders, including industry groups, the electric distribution companies, the LEAN network, and the National Consumer Law Center, and there is a developing consensus around how to improve SMART to effectively serve low income communities. We urge DOER to

convene stakeholder process among these groups to assist in drafting final emergency regulations.

Finally, BlueHub strongly supports the increased consumer protection recommendations in the straw proposal, and is in support of the comments submitted in the Joint Letter from the Solar Commenters and the comments submitted by Vote Solar.

Thank you for your consideration.

Regards,

A handwritten signature in blue ink, appearing to read "DeWitt Jones", is positioned above the printed name and titles.

DeWitt Jones
President, BlueHub Energy
Executive Vice President, BlueHub Capital