



SMART GROWTH AND REGIONAL COLLABORATION

September 26, 2019

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

RE: MAPC Comments on DOER's 400 MW Review of the SMART Program

Dear Commissioner Judson:

Thank you for the opportunity to provide input to inform the Department of Energy Resources (DOER) 400 MW review of the Solar Massachusetts Renewable Target (SMART) program. The Metropolitan Area Planning Council (MAPC) would like to commend DOER for opening the process to additional stakeholder input and their dedication toward ensuring that the program is effectively improving access to solar for all.

As you know, MAPC is the regional planning agency serving the people who live and work in the 101 cities and towns of Metropolitan Boston. Our Clean Energy Department has extensive experience administering both community and regional procurements for energy management services and has supported a number of cities and towns in their efforts to go solar. We have facilitated solar development on municipal sites such as school roofs and parking lots, town halls, public safety buildings, and landfills, as well as for residents, businesses, and non-profits in the communities.

MAPC is pleased to see DOER's consideration of several significant improvements to the program as a part of the 400 MW review process. We also believe there are components of the proposals that could be improved to ensure priority project types are effectively supported. Overall, MAPC strongly recommends that DOER eliminate the rate of decline for all off-taker based adders (in addition to the current proposal for elimination of the rate of decline for location-based adders). This will have a substantial impact on the viability of the SMART program for the types of projects the state seeks to prioritize for the entirety of the program.

MAPC submits the following comments and recommendations to improve the SMART program specifically for municipal, low-income, community shared solar, and solar + storage projects.

Expand the SMART Program to Align with State GWSA Goals

MAPC believes that DOER's proposal to expand the SMART program to incentivize 800 MW of added capacity at the reduced rate of decline of two percent is a necessary and important change. MAPC recommends that DOER push further to expand the program by a more sizeable amount that will support the state in achieving goals mandated by the Global Warming Solutions Act (GWSA). A greater expansion of the SMART program is an appropriate response to the climate crisis facing the Commonwealth and the

globe. Analysis completed by Vote Solar suggests that an additional 2,900 and 3,600 MW of additional solar is needed for Massachusetts to reach its current Renewable Portfolio Standard (RPS) clean energy requirements by 2030.¹ While other Class I Renewables will need to contribute to meeting the state's RPS requirements, it is reasonable to expect that a more sizeable expansion of solar is needed to contribute to this obligation. The expansion of 800 MW, with DOER's anticipated program duration of five years, falls short of the progress needed by 2025, and 2030 and 2050, respectively. As such, MAPC recommends that DOER apply the reduced rate of decline of two percent to the base compensation rate of all systems and increase the capacity included within each additional block to provide a more stable timeline for development and ensure that the value of the incentive does not diminish past the point of economic feasibility.

Remove Barriers for Priority Market Segments

DOER's presentation to stakeholders on the 400 MW review made it clear that the SMART program has not succeeded in providing a structure that adequately supports low-income, community shared solar, and public entities in participating in the program. DOER's review highlights that only 2.5 percent of capacity qualified under the low-income eligible rates, and less than 2 percent of capacity qualified under the public off-taker rate. MAPC appreciates DOER's acknowledgement of this reality as well as their proposals to remedy the current barriers that exist for these types of projects. MAPC supports the following strategic improvements to the program to increase enrollment of these types of projects and target the benefits of solar in those priority areas that the program intended to support.

Eliminate Rate of Decline for Off-Taker Based Adders

In alignment with DOER's proposal to eliminate the rate of decline for all location-based adders, MAPC strongly recommends that DOER consider eliminating the rate of decline for off-taker based adders as well. The greater costs associated with off-taker based adders are unlikely to decline significantly or change during the program's lifetime. Community solar, low-income, and municipal projects typically have higher site development and/or customer acquisition and administrative costs than standard projects that do not qualify for these adders experience, and these costs are not likely to diminish significantly during the implementation of the SMART program. Conversely, retaining the rate of decline for these off-taker based adders could continue to significantly hamper access to solar, particularly for those underserved by solar to date.

Support for Municipal Solar

MAPC strongly supports DOER's proposal to raise the public off-taker adder from 2 cents per kWh to 4 cents per kWh. We have heard from our cities and towns seeking to develop municipal solar projects that the adder at its current rate is insufficient to address the additional incurred costs specific to public procurement processes, such as increased contracting time and prevailing wage requirements. Importantly, MAPC also supports DOER's proposal to allow all public off-taker projects to receive a Statement of Qualification upon award of a contract to a developer, rather than upon execution of an Interconnection Services Agreement, as well as an extension of the reservation period for public off-taker projects to 18 months upon receipt of a Statement of Qualification. These program changes align with MAPC's recommendation to DOER on the 2016 straw proposal in which we suggested that public projects be allowed to qualify earlier in the development process and be given an additional six-month window to

¹ "Clouds Over the Solar Industry in Massachusetts: Inconsistent Policy Slows Growth," *Vote Solar*, September 2019.

comply with the standard requirements of an executed Interconnection Services Agreement, site control, and all non-ministerial permits and approvals.

MAPC supports DOER's proposal to qualify greenfield projects located in areas with solar specific local zoning as category 2 land use, rather than providing automatic qualification for category 1. Under the current program regulations, any system that follows a municipality's local zoning does not have to take on a subcontractor even if the project is located on a greenfield. We believe change may support more municipalities in moving forward with the incorporation of solar specific provisions within their local zoning ordinances.

Support for Low-Income Solar

MAPC believes that DOER's proposal to expand the definition of a low-income eligible customer is an improvement, but still fails to capture the populations who may benefit the most from access to solar. DOER's proposal to solely apply the income-based environmental justice criteria fails to directly encourage projects that increase access to solar in communities of color and immigrant communities across the Commonwealth. As identified in our prior comments on the 2016 straw proposal and the 2017 draft regulations, MAPC recommends that DOER expand the definition to include those customers living in census block groups that meet two or more of the state's Environmental Justice Criteria.² By targeting the definitions to be inclusive of demographic factors beyond level of income, the program will better address the disproportionate environmental burden these communities face due to the changing climate.

Additionally, MAPC is concerned that the state's current definition of the income-based Environmental Justice criteria fails to effectively target census block groups that are most at risk to the impacts of climate change and in need of additional assistance. By requiring two of the Environmental Justice criteria to be met, a more effective dedication of state resources can be supported through the Program.

Similar to DOER's proposal to increase the public off-taker adder, MAPC recommends consideration of an increase to the low-income property and low-income community shared solar adders.

Support for Community Shared Solar and Low-Income Community Shared Solar

MAPC is currently exploring ways to support community shared solar (CSS) projects in our municipalities to increase access to solar to renters, low-moderate income customers, and those unable to install solar on their own properties. We completed a Request for Information process on behalf of Wayland, Framingham, and Natick, which solicited information on CSS projects serving these three MetroWest communities. We are interested in changes to the program that ensure CSS projects do not become overly burdensome to move forward and that all customers participating in a CSS project are protected and aware of the terms of their contracts.

MAPC supports DOER's proposal to implement a "three-strikes" rule for community shared solar projects (and projects under 25 kW) and improve consumer protections by auditing the customer disclosure form process. MAPC also recommends that DOER provide solar developers with template contract language and

² As of 2017, the Massachusetts Executive Office of Energy and Environmental Affairs defines Environmental Justice communities as census block groups where: 25% of households have a median annual household income at or below 65% SMI, 25% or more of the residents identify as minority, or 25% or more of households having no one over the age of 14 who speaks English only or very well (Limited English Proficiency).

residents with guidance on what they should look for in their contract with a CSS project. An educational effort to remediate issues earlier on in the process, prior to a project receiving three strikes, will provide preventative benefits in the long term.

MAPC believes that DOER's proposal to allow for other low-income community shared solar models to qualify for the adder is headed in a positive direction but requires additional clarification on what types of projects this proposal intends to support.

Support for Solar + Storage

MAPC is pleased to see DOER's consideration of requirements for energy storage systems for all projects over 500 kW. However, we would do not want to see this become overly restrictive to larger projects moving forward and believe any new requirement should be paired with a robust level of compensation through SMART and other state funding programs. It is critical that the SMART program work in concert with the state's efforts to increase energy resiliency and reliability of renewable sources of energy at all times of the day. Related to this proposal, MAPC also sees value in DOER's proposal to provide a new adder based on preferred interconnection locations. We encourage DOER to consider preferred locations for interconnection for both solar on its own and for solar + storage systems. MAPC recommends that any maps developed in partnership with the EDCs should be made publicly accessible as this data will be useful beyond SMART program purposes and could support municipalities as they plan for resiliency within their communities.

Provide Clear Guidance on Projects Affected by Each Program Change

It was apparent at the Boston stakeholder meeting about the proposed changes that there are many questions about how each change will impact projects at different stages of the application process. MAPC would like to request that DOER provide all stakeholders with clear guidance on how each proposed change to the regulations will impact projects for each stage of the application process, prior to issuance of the emergency regulations later this fall.

In summary, MAPC is offering the following recommendations to DOER to ensure that the SMART program effectively supports the continued development and expansion of solar throughout the Commonwealth:

- Expand the program by more than 800 MW, reduce the rate of decline to 2% for the base compensation rate of all projects, and increase the size of the additional blocks;
- Eliminate the rate of decline for all off-taker based adders;
- Target the definition of low-income eligible to include those customers living in census block groups that meet two or more of the state's Environmental Justice Criteria;
- Consider of an increase to the low-income property and low-income community shared solar adders;
- Provide additional clarification on what types of projects would qualify as alternative low-income community shared solar models;
- Provide solar developers with template contract language and residents with guidance on what they should look for in their contract with a CSS project;
- Consider preferred locations for interconnection for both solar on its own and for solar + storage combined;

- Make any maps developed in partnership with the EDCs publicly accessible to support resiliency planning; and
- Provide all stakeholders with clear guidance on how each proposed change to the regulations will impact projects for each stage of the application process, prior to issuance of the emergency regulations later this fall.

Thank you for your consideration of MAPC's comments and attention to these important issues as DOER moves forward to implement the SMART program. Please contact me at cpeterson@mapc.org or 617-933-0791 with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Cammy Peterson". The signature is fluid and cursive, with the first name "Cammy" written in a larger, more prominent script than the last name "Peterson".

Cammy Peterson
Director of Clean Energy, MAPC

Cc: Eric Steltzer, Acting Director, Renewable Energy Division