



PV SQUARED
HEART & SOLAR

September 24, 2019

Judith Judson, Commissioner
Massachusetts Department of Energy Resources
100 Cambridge Street
Boston, MA
DOER.SMART@mass.gov

RE: 400 MW Review Public Comments

Dear Commissioner Judson:

We thank you for the opportunity to respond to the Department's Straw Proposal following the 400 MW SMART Program review and appreciate the Department's on-going support for renewable energy advancement in the Commonwealth. PV Squared, based in Greenfield, MA, is a worker-owned Cooperative providing renewable energy system design, installation, and service to a range of clients, including businesses owners, commercial property owners, farmers, and homeowners since 2002.

The SMART compensation program is critical to further development of solar PV projects in the Commonwealth as members of our communities actively work to address concerns around climate change and energy choice/independence. PV Squared offers the following comments as the Department works with stakeholders to finalize Emergency Regulations in 2019.

1. 800 MW Program Expansion: PV Squared supports an expansion of the SMART Program and suggests that the Department consider a larger expansion given the Commonwealth's existing goals and obligations for carbon emission reductions in the coming years. The Department suggests that the 800 MW expansion will extend the program for an additional 5-7 years based on the current pace of SMART capacity allocation. According to figures included in the Department's Straw Proposal presentation, the current 55 MW per month combined large and small application pace will consume the remaining 600 MW of the existing SMART Program capacity plus the proposed 800 MW expansion in approximately 2 years. This is substantially faster than 5-7 years stated in the Straw Proposal and raises significant concern for the solar industry.
2. 2% decline between capacity blocks for behind the meter (BTM) systems. PV Squared supports a reduction in block rate decline as the pace of block allocation under the SMART program is proceeding significantly more quickly than forecasted and is outpacing the rate of decline in costs for installed systems. We would further suggest a 0% decline between capacity blocks within the program expansion for <25kW projects beyond Block 8 as the breakeven periods for small project investments are increasingly exceeding 10 yrs under current blocks (e.g., <25kW Eversource West Block 5) and this trend steadily worsens in the coming months with further SMART Block declines and Federal ITC reductions.

3. Combining Eversource East and West capacity blocks: PV Squared supports this proposal; however, it is critical that proposed changes to the SMART program adequately address the pace of large scale ground mount PV system development under the program.
4. Should new SMART applications and projects on the waiting list that receive capacity under the SMART expansion be subject to rules under the SMART expansion?: Significant project development has continued as SMART capacity in both NGrid and Eversource West was exceeded and wait lists formed. If projects on growing wait lists are allowed to proceed under program rules in effect prior to filing of the Emergency Regulations, it is entirely possible that the new rules created as part of the 400 MW review process will apply to only a small portion of the projects within the SMART program. In essence, the 400 MW review process will have little effect on the direction and outcome of the original 1600 MW and 800 MW expansion of the SMART Program.
5. Recommendation to create capacity carveouts for projects between 25 and 500 kW. Smaller C&I projects have been sidelined in the SMART program as capacity has gone primarily to 1MW and larger ground mounted projects to date. Smaller C&I projects should not be competing in the same compensation pool as larger ground based projects and are being squeezed out of the SMART program. This trend will persist with the proposed SMART program expansion unless a carveout is created to preserve capacity for smaller C&I projects.
6. Expand AOBC to BTM Projects: PV Squared supports this proposal and the rationale presented by the Department for this change. This AOBC option should be available to all BTM projects, including <25 kW projects and recommends that monthly netting of electricity imports should be considered as part of this proposal. PV Squared suggests the true solution to the problem is raising and/or eliminating net metering caps, but recognizes that solution is beyond the scope of the SMART program and commends the Department for a proposal that provides some relief from the net metering caps while the legislature considers legislative solutions to the underlying net metering cap problem.
7. Eliminate Rate of Decline for Location Based Adders: PV Squared supports this proposal and suggests that the Department consider the same for the battery storage adder. The Department is proposing new storage requirements for projects over 500kW, which would tend to increase pace in uptake of the storage adder by large scale projects. This may result in the majority of the storage adder capacity under the SMART program being assigned to large projects and reduced incentive support for smaller storage projects. The pace of storage adder value decline is also likely to occur more quickly than the cost decline for storage and associated interconnection costs, which works against the Department's goal of increasing storage deployment and on the grid. We recommend that the Department also consider a small project carveout for the storage adder to ensure diversity with storage system installations under the SMART program.
8. Proposed SMART Metering changes: PV Squared supports the use of revenue grade inverter-based metering solutions as well as DC metering approaches. Significant technical detail regarding implementation, data reporting, etc. are missing from the Department's proposal. This raises concern given existing and unresolved issues around metering that emerged during SMART program implementation. Collaboration and communication between all stakeholders will be required to arrive at a rapid and workable solution to these metering challenges under the SMART program.

9. Energy Storage participants in demand response programs exempt from the 52 cycle requirement: The Department's proposal allows the energy storage system to be idle no more than 15% of any 12 month period. By design, the demand response program is seasonal in nature and will engage with energy storage systems only during the months of June through September and December through March, which represents only 67% of the year. This leaves the energy storage systems participating in the program potential "idle" for more than the 15% maximum requirement proposed by the Department. We recommend that the 15% requirement be eliminated for any energy storage project that is actively participating in the demand response program during a 12 month period. If the energy storage system is no longer actively participating in the demand response program that system would again be subject to the 52 cycle requirement in order to retain its SMART storage adder compensation.
10. New Preferred Interconnection Adder / Subtractor: PV Squared does NOT support this proposed modification to the SMART program. The Department should work with the EDCs and DPU to increase public visibility around grid congestion and areas where additional interconnect solar PV projects could be "ideal" or beneficial to operation of the grid. Currently, there's sufficient financial deterrent associated with high interconnection costs in congested areas and improved visibility into these areas will naturally influence market decisions around development location. Furthermore, the rate and location of distributed generation interconnection evolves constantly making it difficult to provide clear and actionable guidance within the SMART program. This concept could be explored outside of the SMART program.
11. Rules for replacement systems: PV Squared supports this proposed modification as a workable compromise that supports additional solar PV installed capacity while acknowledging previous investments by various legacy incentive programs in the Commonwealth.

Sincerely,

Pioneer Valley PhotoVoltaics Cooperative



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