



Chase Systems LLC

Renewable Energy Development and Consulting

6/30/16

To: Michael Judge
DOER

Subject: Input for new Massachusetts solar incentive program

It is my pleasure to follow up on the input which I provided during the listening session. During this I recommended using a mechanism modeled after the California REMAT "Renewable Energy Market Adjustable Tariff." For commercial and above size installations (25 kW and/or 3 phase).

The reasons behind this are several, however the most important is to continue to reduce the cost of solar generated electricity, we must look at all activities which are part of project development and ongoing operation, with an eye to reducing or eliminating as many costs as possible. Further a critical component is the financing, particularly important for the under-represented small to medium commercial installations.

The above REMAT program addresses many of these challenges in a simple easy to understand and administer program. In a nutshell, this program opens a specific amount of capacity for a limited time period. This outcome is a fixed price long term (10-20+ years) contract directly with the Investor Owned Utilities. There are no net metering, caps or other limits or incentive mechanisms.

If the available capacity is very quickly subscribed or over-subscribed, the price for the next period is reduced by a small amount. If the available capacity is approximately balanced with demand, the price remains the same. Finally, if the capacity is significantly undersubscribed, the price is raised for the next capacity & period. This adjustment can be specifically targeted to fine tune the program.

This very simple mechanism allows control of the growth of renewable energy to the targets. It provides a direct contract with a credit worthy counterparty (The Investor Owned Utilities), thus it is financeable by local banks at reasonable rates. So small to medium size business and property owners can participate.

For specific parameters for MA it is recommended that the time period be short (two weeks) and the maximum change will be 1/10 cent per kWh between periods. Predictability of revenue is the key to availability and affordability of financing. The impact of a project schedule slipping is a minor change in project returns. Thus allowing projects to proceed at a steady and efficient pace.

Chase Systems LLC.
Tel: 508-263-0031
RChase@ChaseSystemsLLC.com

206 Worcester Rd, Suite 12
PO Box 112
Princeton, MA 01541-0112



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Since the cost structures are significantly different for rooftop, carport, brownfields, landfill and utility scale greenfield sites, there should be different base tariffs for each category. Further there should be adjustments for project size as recognized in the current tariff. To eliminate distortions from incentives, the transitions should be smooth. For example, a commercial project will receive the pricing of the first tier for the first portion of the project capacity, the second tier for the second portion of capacity etc. For example a 325 kW DC rooftop system, could receive the average of 23.47 cents per kWh for 15 years in actual monetary payments from the IOU.

Tier 1: 25-99 kW	25.0 cents/kWh for the 1 st 99 kW
Tier 2: 100-249 kW	23.5 cents/ kWh
Tier 3: 250 – 499 kW	22.0 “
Tier 4: 500 – 999 kW	20.5 “
Tier 5 1000 kW+	19.0 “

Further, the IOU's should be required to publically disclose circuits and maps which show both circuits with available capacity and those which do not have available capacity. This will allow project developers to focus on appropriate areas and bypass those which will not receive interconnect, Again simplifying and lowering indirect costs.

Thank you for your interest and consideration of these ideas. I am available and would like to help however I can, to develop the incentive program to further the migration of MA to the renewable energy based economy.

Sincerely,

Richard Chase

Below are links to the CA REMAT program.

<http://www.cpuc.ca.gov/PUC/energy/Renewables/hot/feedintariffs.htm>

[Renewable Feed-in Tariffs | PG&E www.pge.com/feedintariffs/](http://www.pge.com/feedintariffs/)

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