



June 30, 2016

Michael Judge
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite
Boston, Massachusetts 02114
Via electronic submission to Kaitlin Kelley

Re: Development of the Next Solar Incentive

Dear Mr. Judge:

The Environmental League of Massachusetts (ELM) thanks the Department of Energy Resources (DOER) for the opportunity to comment on Massachusetts' next solar incentive program. Founded in 1898, ELM is the oldest environmental advocacy organization in Massachusetts. As DOER is well aware, Massachusetts' solar energy industry provides myriad benefits to the Commonwealth, reducing our reliance on inefficient centralized power generation, displacing polluting fossil fuels, and creating thousands of local jobs. The policy that replaces the current SREC program must be similarly forward-looking if we are to sustain the substantial progress that Massachusetts has made in bringing solar to our residents and businesses.

ELM offers the following high level recommendations to DOER as it puts together a straw proposal for the next solar incentive program:

1) Ensure that the next solar incentive program provides for a smooth and predictable transition.

As Massachusetts moves from one solar incentive program to the next, developers need a stable and transparent environment in order to make sound financial plans. A program that fails to do this will create market inefficiencies and slow the deployment of needed clean energy. We recommend the DOER extend of the current interim SREC II program to provide certainty as DOER and the DPU finalize new compensation under net metering and determine the design of the next solar incentive program.

2) Distribute SRECs through a Declining Block Incentive.

ELM prefers a Declining Block Incentive (DBI) to alternative models, such as a competitive procurement model, in order to encourage bold and equitable investment in solar. A declining block program structure would allow for the compensation of solar at a rate that accounts for the societal benefits that solar provides to the Commonwealth and establish the continuity and predictability needed to sustain our solar industry. It would also incentivize solar developers to drive down costs over time. This sharply contrasts with a competitive procurement model, which compensate solar at a market rate that does not account for

solar's true value, and discriminates against small, low-income, and community projects less able to sell at wholesale prices.

3) Minimize incentives for projects that would alter protected green fields.

DOER should be mindful of that solar incentives may unintentionally encourage the degradation of protected conservation and agricultural lands, particularly for projects in the “Managed Growth” sector. To minimize this risk, DOER should consider additional incentives or bonus incentives for solar projects appropriately sited on brownfields, rooftops, and other non-greenfield operations, or restrict development on protected lands. Further, DOER should work with the Department of Agriculture to ensure that solar projects on farms do not interfere with agricultural use, including through the degradation of fertile soil during installation.

4) Guarantee the viability of low-income and community solar projects.

The recent reductions in compensation through net metering authorized by the legislature already put access to solar for large portions of our population at risk. The next solar incentive program must enable access for low-income ratepayers and renters. We recommend that DOER protect market equity by providing for special incentives for community solar and low-income solar projects, especially non-municipal low-income housing developments.

Thank you for the opportunity to comment on the next solar incentive program. We commend the Department for its hard work and look forward reviewing the straw proposal. If you have questions about these comments, please contact me at jcraft@environmentalleague.org or 617-742-2553.

Sincerely,

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