

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
STATE HOUSE, BOSTON 02133-1054

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CHAIRMAN
House Committee on:
Global Warming and Climate Change

Dear Department of Energy Resources and Director Michael Judge,

Thank you for the opportunity to comment on the new solar incentive program being designed under Chapter 75 of the Acts of 2016. As you are aware, Massachusetts solar incentives and net metering policy have been extremely successful in stimulating solar industry growth in the Commonwealth since their inception. The programs have allowed the Commonwealth to create a burgeoning solar industry which supports nearly 15,000 jobs. Given the 40% cut in the net metering credit recently approved by the legislature, it is extremely important that Massachusetts installs a strong solar incentive framework in order to continue our state's leadership in solar development. Any successor program should prioritize the availability of low-income solar generation, allow benefits to reach low income tenants, ensure continued investment and growth of the Commonwealth's solar industry, and consider the storage and use of solar to reduce peak loads. To that effect, I would like to make a few suggestions regarding the design on the new program.

First, Low Income Solar (LIS) recently had their net metering credit slashed by 40%. If Massachusetts is trying to ensure equitable access for all of its citizens to low carbon energy alternatives and stable energy prices, it must correct this egregious reduction. This rectification could be achieved using a framework similar to the SREC Factors currently in use under the SREC II program, which prioritizes LIS above other types of solar development. Furthermore, a shortfall of the current SREC programs is that property owners, not low-income tenants, receive the direct benefits of LIS incentives. There are over 120,000 low-income housing units in Massachusetts; DOER should implement an incentive structure which allows the individuals in these units to reap all the benefits of our state's solar programs.

Second, the new solar incentive program must ensure continued investment in this growing industry. Nothing spurs continued investment more than uncertainty. Unfortunately, the legislature has failed on several occasions to seriously change the way we address the net metering cap, and has made it a habit to revisit this contentious issue in consecutive sessions. Given this inconvenient fact, the new incentive program should be structured in a manner which avoids adding additional uncertainty to the solar market. I have heard from several stakeholders that the DOER should consider a "hard floor" in the SREC pricing. A hard floor in combination with a fair deduction in the Alternative Compliance Payment (ACP) will achieve a reduction in program cost while also ensuring a level of certainty and return on investment necessary for continued investment.

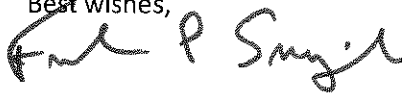
Finally, the new program should consider increased incentives for solar generating units installed in combination with energy storage technology. The integration of energy storage technology into our grid will allow Massachusetts to further deploy incremental renewable energy technologies, reduce peak demand, and reduce the need to turn on some of the state's "dirtier" generating units. Furthermore, rapidly developing storage technology can increase the resiliency of some of the state's vital



infrastructure such as hospital, police stations, and storm shelters. Increasing incentive level for units installed in tandem with storage technology will assist Massachusetts in creating a twenty-first century energy grid.

Thank you once again for the opportunity to comment on the new solar incentive program. I look forward to the creation of a program which continues Massachusetts' leadership in the solar and renewable energy sectors.

Best wishes,

A handwritten signature in black ink, appearing to read "Frank I. Smizik". The signature is fluid and cursive, with the first name "Frank" being more prominent.

Frank I. Smizik
15th Norfolk