

BPVS
Berkshire PhotoVoltaic Services

46 Howland Avenue, Adams, MA 01220
Tel: 413-743-0152 Fax: 413-743-4827
www.bpvs.com

Dwayne Breger Ph.D.

Director , Renewable and Alternative Energy Development

Massachusetts Department of Energy Resources

Christopher Derby Kilfoyle

July 28, 2013

Re: Comments on Emergency Regulation changes to 225 CMR 14. for the Solar RPS Carve Out.

Dear Director Breger,

On behalf of my firm and our customer base thank you and your staff for promptly addressing issues affecting Solar Renewable Energy Certification eligibility (SRECS I) this year with these Emergency regulation changes. Thank you for the opportunity to make these comments on three aspects of the regulation .

First , the revised calculation of a benchmark , average Capacity Factor of 13.21% for properly sited, designed, and installed PV systems is consistent with data we have collected for a 14 site sample of our western Ma customers since 2002. This table and analysis is revised annually and published on our website www.bpvs.com at the "Clean Energy Stats" link on our homepage.

The Department is correct to anticipate exigencies affecting the completion process of PV projects over 100 kW in progress during the Fall and Winter months of 2013 by setting an extended window for SRECS I eligibility assurance through June 7, 2014 as detailed in 225 CMR 14.05 .(4).k.. It is understood that the Department will provide a Guideline to interpret the extension window provisions for projects over 100 kW and listing proper documentation to achieve SRECS 1 eligibility even when the utility Authorization to Interconnect is received after January 1 ,2014 and up to June 7, 2014. You indicated, during the July 26th hearing that such guidance will follow similar extension provisions for "safe harbor" used by the Federal Treasury Department during the Sec. 1603 grant program. That is a sound policy.

The Department shows it understands development conditions for projects under 100 kW by extending SRECS 1 Eligibility assurance requirements for a Statement of Qualification Application beyond the June 7, 2013 deadline set for larger projects. This regulation change is sincerely appreciated by our firm and those customers who are scheduled for installations in the final two quarters of 2013. The regulation change omits the extension window framework afforded to projects over 100 kW for these smaller installations; as written, the Authorization to Interconnect for under 100 kW solar units must be in hand and the SQA application submitted "by the effective date of a new solar carve- out program established by the Department or by June 30,2014 , whichever is earlier" . While the Department and administration should be praised for its attentiveness to solar program continuity and

the solar industry is hopeful the new program (SRECS II) can be established sooner than later the effective start date is an unknown. Whether the SRECS incentive policy under the new program is more or less generous than SRECS I to some categories of PV units under 100 kW is also an unknown. This policy uncertainty, the scheduling and completion of jurisdictional inspection approvals required for utility completion documentation especially in small towns, the inevitable delays caused by the crush of project completion submittals to utilities, and the weather window for installations from late October through the winter could present problems for strict adherence to an effective date for new program start. Despite the somewhat easier process for small systems over larger ones, the best laid plans of scheduling to meet an SRECS I eligibility deadline can go awry for any size installation. With all this in mind it is prudent to afford systems under 100 kW the same extension window clarity and framework presented for over 100 kW units regarding a potential delayed date of utility notification authorizing interconnection. The Department may be reticent to incorporate this amendment in the text of 225 CMR 14. since it could delay date of promulgation by the Secretary of State. For our part we would respect contingency interpretations set forth in a Guidance Memo by the Department along the same lines as envisioned for the extension window given for the over 100 kW capacity class. We trust the Department to discern on a case by case basis whether to grant or reject extension of SRECS 1 eligibility for a small project for good cause.

The final comment goes to the core inequity of the Solar RPS Carve-out. The original regulation dismissed the early adopter, PV owner's class as ineligible for trading their production attributes as SRECS. These pre 2010 installations were left to fend for themselves in the Class 1 RPS RECSs market. The devaluation and in effect forced attribute retirement consequences to small system owners in this market are well documented. They are a decided minority relative to new capacity since the generous SRECS I program and market began, yet other relative minorities such as large system developers of pre 2010 PV projects with ARRAS funding not exceeding 67% of cost were waived from SRECS exclusion. The current, emergency revision includes a waiver from SRECS eligibility exclusion for relocated and re-commissioned pre -2010 PV systems subject to details in CMR 225. 1406. (7) d. and e.. Surely this special provision for a special interest contradicts the argument that the Department cannot retroactively change rules for SRECS eligibility.

It is regrettable the Department chose to ignore parity to pre -2010 small system PV capacity owners in Massachusetts during this revision of the regulation. These early adopters now feel doubly let down by policymakers first in 2010, now in 2013 when the benefit of hind sight into the RECS market problems is apparent from experience and from excellent analysis such as that included by Peregrine Energy Group in its' December 2012 whitepaper : Study on Long Term Contracting under Section 83 pages 25 -30. The financial penalty is one aspect but the concept of environmental value in a tradable attribute is the real victim since for Solar attributes this policy of divided worth reveals no consistency. To early PV adopters and rational outsiders, SRECS policy appears pre-occupied with the market mechanics of something perceived more and more as an opportunistic financial derivative than an authentic incentive for clean energy production. Again thank you for the opportunity to make these comments.

Sincerely,

