



June 21st, 2013

Via Email

Dear Michael Judge,

Thank you for the opportunity to provide these comments on the Department of Energy Resources' Post 400 MW Policy Proposal with regards to the RPS Solar Carve Out and thank you for conducting the stakeholder meeting held on June 7th outlining the policy considerations and goals detailed by the Department of Energy Resources(DOER).

My Generation Energy Comments on DOER Post 400 MW Policy Proposal

My Generation Energy supports the Key Design Features as outlined by the DOER to accomplish the state's important energy, economic development and environmental policy goals. At the same time we would like to highlight key areas for consideration in developing the forthcoming draft regulation.

We are cautious with regards to the design of the price support mechanism, not the intent, and are interested in reviewing the technical details of the DOER's approach. We believe that creating a firm floor and ceiling, facilitated by adjustment mechanisms that are responsive and meaningful, would provide for a clear and narrow market pricing band that will reduce risk and ratepayer costs.¹ Such a price support mechanism, as alluded to by the Department, may include Clearinghouse Auction fees which to the extent possible should be avoided as they represent a significant program soft cost largely counter to policy goals.

To provide stability to the marketplace we support fixed long-term project SREC Factors, as the DOER outlined, so that prospective market participants will be provided a clear set of expectations for throughout a project's entire program life. In concert there are benefits to the use of Adjustable SREC Factors to achieve various policy purposes such as: 1) reducing the reliance on a solar specific carve-out over time for new projects that are developed; and 2) targeting market segments that provide different system benefits. Overall, ensuring that the use of a SREC Factor approach is administrable and conducive to a functioning marketplace will be key. SREC and REC aggregation and accounting will likely be integral to the program's success and should be thoughtfully designed and closely monitored by the DOER.

Throttled supply is another important provision especially for managing the largest projects. Extreme imbalances, driven by a handful of projects, as demonstrated in the first SREC program phase can create a range of negative market dynamics that can impact all solar market sectors. Better data, and supply transparency, in a more 'real-time' manner will better aid a more balanced market as well.

We believe forward minting for small projects, and especially for direct ownership, is a structure that provides the opportunity to give greater certainty to both SREC projects considering implementation and to SREC purchasers seeking to meet future compliance.

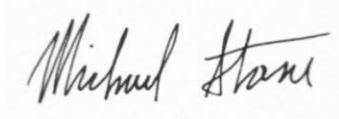
¹ See My Generation Energy's April 8th Comments, Section: 'Market Design for a Successful Post 400MW Solar Carve-Out'

Forward minting may also generate a stronger market uptake for direct ownership so as to achieve public policy goals. As a community-based installation and development company we are acutely aware of the potential for lost community benefits if there isn't strong enough adoption of direct system ownership especially when considering the disparity between 3rd-party system savings and direct ownership savings.

In closing, the DOER should consider that homeowners, small businesses, non-profits, governments and investors will require a fair economic result for implementing this critical clean energy infrastructure especially when considering the alternatives. To that extent the success of the first phase of the SREC program in meeting market expectations will also determine the uptake and interest in the second phase of the SREC program only highlighting the importance of effective market mechanisms to achieve initial assurances. As always My Generation Energy, Inc. appreciates the opportunity to provide comments on this important matter for the Commonwealth and appreciates the Department of Energy Resources' leadership on this and its thoughtful proposals. We look forward to helping advance Massachusetts' clean energy infrastructure goals by providing consumers with services that save them money and make their communities more resilient for decades to come.

Thank you and certainly do not hesitate to contact me with any questions or clarifications.

Very truly yours,

A handwritten signature in black ink that reads "Michael Stone". The signature is written in a cursive, flowing style.

Michael T. Stone,
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My Generation Energy, Inc.

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