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----- Forwarded message from Municipal Room Central and West

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From: Municipal Room Central and West <MunicipalRmCentWest@nationalgrid.com>

Subject: Important News regarding Solar Development in Central and Western Massachusetts

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This notification is being sent to all Mayors, City & Town Managers / Administrators, and DPW Directors in Central & Western MA

***Please share with others within your municipality who should be aware of this information.*

Dear Community Leaders:

We wanted to make you aware of news that may impact solar projects currently underway in your community.

Recently, we alerted solar developers that all projects greater than 1MW will need to have a study completed before they can be interconnected to our system. This study is a necessary step to ensure the safe and reliable operation of the power grid, given that **we are** interconnecting **distributed generation (DG)** projects to our system at unprecedented rates.

Background:

Contributing to the success of the Commonwealth's position as a leader in solar development, the State's policy-driven incentive programs (e.g., "SMART") have fostered an unprecedented volume of large and complex DG interconnection applications, particularly in Central and Western Massachusetts.

Meanwhile, National Grid has played a pivotal role in making Massachusetts #7 nationwide in installed solar capacity at 2,465 MW. In 2017, we were ranked #9 nationwide on the Utility Solar list with 227 MW procured and connected in MA. Overall, we've connected more than 1.2 GW of customer-owned solar to the grid, and we have more solar installed than the states of CT, VT, NH, ME, and RI combined.

The volume of complex DG applications reached an all-time high **in 2018 when we received more than 8,900 applications** representing a total of 1.5 GW of capacity....this was a 60% capacity increase vs. 2017 and a 450% capacity increase vs. 2016.

Current Situation:

This massive surge of complex applications is resulting in saturation and potential impacts to neighboring electric power systems (i.e., "Affected Systems"), both at the transmission and the distribution levels. Most of the **pending** DG applications in Central and Western MA are large commercial ground-mounted solar systems with the potential to impact 59 different distribution and transmission substations in this area.

"Cluster Study":

The study being conducted **before the larger solar projects can be interconnected to our system** is known as a "Cluster Study." It is the proposed DG capacity across Central and Western MA (roughly 1.2 GW) that has triggered the need for this study, which is transmission level specific and will analyze the safety and reliability impacts of connecting this significant load to the region's electric power system. The study is being conducted by our affiliate, New England Power Co., who is consulting with 9 other "Affected System Operators," including ISO-NE and many other neighboring utilities.

The Study is being conducted in two phases:

The first phase is analyzing the impacts of approximately 100 projects that are "post ISA," i.e., these projects have already contracted with National Grid for service, meaning that they have already received Interconnection Service Agreements (or "ISAs.") These projects are all 1 MW or greater, in fact (5) are 5MW or greater, (39) are in the design stage, and another (16) are in the construction stage. They total approximately 404 MWs.

The second phase is analyzing an additional 100 projects that have yet to progress to the Interconnection Service Agreement (ISA) stage.

Impact on DG projects:

The results of the "Cluster Study" will determine what system modifications will be required to mitigate any concerns over the safe and reliable operation of the regional electric power system.

The bottom line is that we have notified the "post-ISA" group that the Cluster Study will need to be completed (as well as any applicable upgrades made) before this group will receive their authority to interconnect (ATI).

In our notification to solar developers, we requested additional project specific information to help progress the study. If the developers provide this information by June 15, that should enable New England Power Co to complete the first phase of the study in the October/November 2019 timeframe.

It is important to note that there is no impact to the average residential customer seeking to install solar.

Developer Meetings:

In November 2018, we had notified developers with projects that had yet to receive an Interconnection Service Agreement (i.e. "pre-ISA") that they would be a part of this Cluster Study. Presently, this grouping of pre-ISA projects represents approximately 586MW.

We will be hosting another meeting on May 30 to help our DG stakeholders understand the status of the Central/West Cluster Study and its known impacts as of that date. ISO-NE is expected to be a part of the presentation.

The Path Ahead:

Collaboration and thought leadership are needed from both industry and government to support the state's DG development goals and clean energy agenda. Timely and cost-effective solutions will require significant regulatory and process changes, and additional resources.

Our distribution and transmission groups as well as ISO-New England personnel have been meeting to discuss the quickest path forward for those DG systems closest to interconnection.

We are looking to build a working group of key stakeholders tasked with implementing regulatory policy and process changes, revisiting the interconnection tariff, expediting permitting to reduce interconnection timelines, and executing efficient and effective resource deployment.

We will keep you informed on the results of the May 30 meeting and our plans moving forward.

In the meantime, if you have any questions or concerns regarding the info shared above, please contact your Community Manager directly.

The Central/West Community & Customer Management Team

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