

June 7, 2019

Commissioner Judith Judson
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

RE: Proposed regulatory changes to SREC I eligibility, 225 C.M.R. 14.00

Dear Commissioner Judson,

The undersigned companies represent a cross section of the Commonwealth's solar industry serving residential, commercial, municipal, non-profit, and low-income customers throughout Massachusetts. We write to express our strong concern with the Department of Energy Resources' ("DOER") proposal to limit the SREC I eligibility for existing solar projects. DOER has characterized its proposed changes to 225 C.M.R. 14.00 as a clarification when, in fact, they represent a substantive modification of the SREC I program rules. If enacted, these changes will harm many SREC I solar system owners and erode investor and lender confidence in the Massachusetts solar market.

The SREC I regulations currently allow solar projects to generate SRECs for the entirety of the SREC I program. DOER seeks to shorten this SREC eligibility period and only permit solar projects to generate SRECs for the first 40 quarters in which they are eligible. To effect this change, DOER has proposed amendments to 225 C.M.R. 14.00, including a new definition for "Opt-In Term" and new language that states a solar project can no longer generate SRECs after the end of the Opt-in Term. See 225 C.M.R. 14.02 and 225 C.M.R. 14.06(3)(f). Limiting SREC I eligibility in this manner is a material and retroactive change that runs counter to the original intent of the SREC I program.

A plain reading of 225 C.M.R. 14.00 unambiguously demonstrates that solar projects retain their SREC I eligibility through the end of the program. See 225 C.M.R. 14.07. The regulations also already clearly and exclusively define "Opt-in Term" in relation to Solar Credit Clearinghouse Auction eligibility rather than overall SREC I program eligibility. See 225 C.M.R. 14.06(3)(d); see also Attachment 1. This interpretation of the regulations is long-standing and has been confirmed by DOER on multiple occasions, as evidenced by the explanatory materials and presentations produced by DOER staff, included as Attachment 2 to this letter.

Truncating SREC I eligibility would be detrimental to the many homeowners, businesses, municipalities, and others who helped launch the Commonwealth's solar industry. In making their investment decisions, these parties relied on the SREC I's regulatory provisions, including that solar projects would generate SRECs through the end of the program. Changing the rules mid-program would not only violate the legitimate expectations of SREC I solar project owners, it would undermine trust in the Massachusetts solar market and potentially impact the ability to develop and finance new solar projects in what is an already challenging environment. For

these reasons, we strongly believe that DOER's attempt to "clarify" the regulations is misguided and should be abandoned. We strongly urge DOER not to adopt the proposed changes and ensure SREC I solar projects retain their eligibility through the end of the program as intended.

Thank you for your consideration.

Respectfully submitted,

Steven Levine
Authorized Representative

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