



Nexamp SMART Emergency Regulations Testimony
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Thank you to Commissioner Woodcock and the Department of Energy Resources for the opportunity to testify today on the SMART Emergency Regulations.

My name is Kelly Friend and I am the Vice President for Policy and Regulatory Affairs at Nexamp. Nexamp is a Massachusetts solar success story, having grown the company to over 200 employees from just a few dozen four and a half years ago. Most of this growth is a result of Nexamp's investment in and commitment to the Massachusetts solar market over the past decade. As a preliminary matter, I wish to echo the remarks of the Solar Energy Industry Association (SEIA) and the Coalition for Community Solar Access (CCSA). We are grateful to the Department for the expansion of the SMART program but wish to weigh in on what we see as program changes that will make getting to 3200MW challenging.

As a Massachusetts-headquartered company, we are deeply rooted here, but we are gravely concerned about the future of solar development in the state if the SMART emergency regulations' land use provisions are not modified. Specifically, if the new land use rules are finalized as is, Nexamp will have to write off significant losses from the projects that will be stranded because of these new regulations. Of our over 250MW of our currently constructed projects in Massachusetts, nearly 60% of that capacity is attributable to community solar projects, 99% of which are ground mounted. Community solar remains the only type of solar development that can serve *all* Massachusetts ratepayers. That bears repeating. No other form of solar development can serve everyone wishing to participate in the clean energy economy who cannot otherwise access rooftop or other forms of on-site solar, and certainly not as cost-effectively.

While Nexamp can presumably mitigate these losses incurred by stopping these projects mid-development, the same is not true for other stakeholders. Unfortunately, the landowners, and municipalities that host these projects and the residents, small businesses and non-profit customers who stand to benefit from the energy savings these projects generate will lose out. Most importantly, the loss of these projects and many others means the Commonwealth's climate goals will slide further out of reach.

We are in an unprecedented economic crisis, without a clear end in sight. State tax receipts for the month of April were down \$2.1B year-over-year. Municipalities are laying off workers and desperate for state and federal aid. Halfway through May, over 800,000 Massachusetts workers had filed for unemployment. This is not a time to be artificially depressing investment in a critical sector of the Massachusetts economy, notably one that puts millions of dollars back into the communities across the Commonwealth that need it most.

We estimate the total local economic loss from Nexamp's cancelled projects alone to be nearly \$16MM. That includes nearly \$6.5MM in lost local tax revenue, over \$2MM in lost lease revenue for landowners, and over \$3.5MM in lost investment in grid infrastructure. For Massachusetts ratepayers, the loss totals nearly \$3.5MM in unrealized energy savings, with almost \$500,000 in lost savings for low- and moderate-income families.

The climate losses are equally staggering. Without these projects, Massachusetts loses over 327,000 MWHs of clean generation—roughly the amount of energy needed to power 40,000 households in the Commonwealth for a year.

What is perhaps equally troubling is how these new land-use restrictions add to the headwinds already facing ground mounted solar development, which still remains the most cost-effective way to develop the community solar projects that deliver equitable access to energy savings to all Massachusetts ratepayers.

Before these emergency regulations were published, project site selection was naturally steered by proximity to infrastructure, land value, and existing permitting prohibitions. Where developers can navigate those constraints, projects still need to overcome the hurdles posed by long interconnection timelines and expensive grid modernization investments (100% of which is borne by developers), which have become the costliest part of solar development in the Massachusetts. The recent transmission studies in National Grid and Eversource territories have only further reduced the number of viable sites for development. The SMART greenfield subcontractor (which is more than doubled under the emergency regulations) acts as a final check, ensuring only the most favorably sited and cost-effective projects greenfield projects advance in the SMART program.

Adding new land use prohibitions to SMART will not lead to more projects in the built environment. Instead, the new land use rules will simply impede ground mounted solar to the detriment of Massachusetts ratepayers, landowners, and its cities and towns.

The enabling legislation that created SMART required the DOER to create a program that among other things promotes a stable and self-sustaining solar market, supports diverse installation types and sizes that provide unique benefits, including community-shared solar facilities, and promotes investor confidence through long-term market stability. These new land use rules contravene the aim of that law and must be reconsidered.

The Massachusetts solar industry is resilient, and we are prepared to do what it takes to rebuild. But we cannot do it if the SMART emergency regulations stand.

Thank you again for the opportunity to testify today. We look forward to working with the Department to ensure that the SMART program is a success.

Supporting data:

Approx. Lost Tax Revenue	\$6,394,375
Approx. Lost Lease Revenue	\$2,066,848
Approx. Lost Grid Investment	\$3,691,428
Total Lost Tax, Lease, IX Investment	\$12,152,651
Community Solar Customers Not Served	1,023
Approx. Lost Customer Savings	\$3,272,311
Approx. Lost LMI Customer Savings	\$412,277
Total Lost Local Investment	\$15,424,962
Lost Clean Energy Generation (kW)	327,231,075
Homes' Electricity Use for One Year	39,172
Metric Tons of CO2	231,365
Preserved Acres of Forest	1,565
Pounds of Burning Coal Offset	254,932,995
Source: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator	