



SMART GROWTH AND REGIONAL COLLABORATION

June 1, 2020

Patrick Woodcock, Commissioner
Massachusetts Department of Energy Resources
100 Cambridge Street
Boston, MA 02114

RE: MAPC Comments on SMART Program Emergency Regulations (225 CMR 20.00)

Dear Commissioner Woodcock:

Thank you for the opportunity to provide comments on the emergency regulations for the Solar Massachusetts Renewable Target (SMART) program. The Metropolitan Area Planning Council (MAPC) would like to commend DOER for opening the process to additional stakeholder input and their dedication toward ensuring that the program is effectively improving access to solar for all.

As you know, MAPC is the regional planning agency serving the people who live and work in the 101 cities and towns of Metropolitan Boston. Our Clean Energy Department has extensive experience administering both community and regional procurements for energy management services and has supported a number of cities and towns in their efforts to go solar. We have facilitated solar development on municipal sites, such as school roofs and parking lots, town halls, public safety buildings, and landfills, as well as for residents, businesses, and non-profits in the communities.

MAPC is pleased to see DOER's incorporation of several key improvements to the program as a part of the 400 MW review process and in the emergency regulations that went into effect on April 15, 2020. MAPC commends DOER for expanding the SMART program to incentivize 1,600 MW of added capacity and further aligning the Program with the state's Global Warming Solutions Act (GWSA) mandate. The emergency regulations also enacted two key changes to better support municipal solar projects, including an increase to the public off-taker adder from 2 cents per kWh to 4 cents per kWh and allowances for all public off-taker projects to receive a Statement of Qualification upon award of a contract to a developer, rather than upon execution of an Interconnection Services Agreement. MAPC has been advocating for both of these improvements since the initial SMART program straw proposal in 2016, and very much appreciates their inclusion here.

In submitting these additional comments today, we seek to reiterate other key recommendations that we believe will improve the program in ways that ensure priority project types are effectively supported across the Commonwealth. Overall, MAPC strongly recommends that DOER eliminate the rate of decline for all off-taker-based adders, and increase the base compensation rate to account for influential market shifts that have occurred since the launch of the program. These changes would have a substantial impact on the viability of the SMART program for the types of projects that the State seeks to prioritize. MAPC submits the following comments and recommendations to help to improve the SMART program specifically for low-income and community shared solar projects:

Remove Barriers for Priority Market Segments

DOER's presentation to stakeholders on the 400 MW review made it clear that the SMART program has not succeeded in providing a structure that adequately supports low-income, community shared solar, and public entities in participating in the program. MAPC appreciates DOER's acknowledgement of this reality and efforts to remedy the current barriers that exist for these types of projects. MAPC recommends the following regulatory changes to the program to increase enrollment of prioritized projects and expand access to the benefits of solar.

Adjust SMART to Reflect Current Solar Market Realities

Since the launch of the SMART program in 2018, market and policy factors have altered the financial feasibility of projects. These factors include reductions to the federal solar Investment Tax Credit (ITC), increased interconnection costs, and the unanticipated and unprecedented impacts of the current COVID-19 pandemic on the industry. Physical distancing and other safety measures, combined with delays in local processes, contribute to increased financial costs. In addition to procedural burdens, SEIA reports that, across the U.S., solar job losses due to COVID-19 have negated the past five years of industry growth.¹ MAPC urges DOER to consider increasing the base compensation rate to account for these emerging and heightened financial impacts on the feasibility of priority solar projects across the State. MAPC also recommends that DOER extend the reservation period for Statements of Qualification to 24 months for public projects and 18 months for all other projects to account for anticipated COVID-related delays.

Eliminate the Rate of Decline for Off-Taker-Based Adders

MAPC strongly recommends that DOER eliminate the rate of decline for all off-taker-based adders, as it has for location-based adders. The greater costs associated with projects receiving off-taker-based adders are unlikely to decline significantly or change during the program's lifetime. Community solar, low-income, and municipal projects typically have higher site development and/or customer acquisition and administrative costs than standard projects experience. Retaining the rate of decline for these off-taker-based adders could continue to significantly hamper access to solar, particularly for those underserved to date.

Provide Greater Support for Low-Income Solar

While MAPC appreciates DOER's effort to include a 5% carve-out for low-income off-taker and low-income community shared solar projects, the small size of the carve-out will likely not address the history of inadequate access to solar for low-income communities and communities of color. MAPC suggests DOER consider increasing the low-income carve-out closer to 20%. MAPC also recommends pairing this change with an increase to the low-income off-taker-based adder to support the financial feasibility of projects that fill the carve-out for each block.

MAPC believes that DOER's amendments to the definition of a low-income eligible customer is an improvement from the prior narrow definition. However, by applying solely an income-based criterion, the program may fail to directly encourage projects that increase access to solar in communities of color and immigrant communities across the Commonwealth. As identified in our prior comments on the SMART Program, MAPC recommends that DOER expand the definition to include those customers living in census block groups that meet two or more of the state's Environmental Justice Criteria.² By targeting the definitions to be inclusive of demographic factors beyond

¹ "COVID-19 Erases Five Years of Solar Job Growth," SEIA, May 18, 2020, <https://www.seia.org/news/covid-19-erases-five-years-solar-job-growth>

² As of 2017, the Massachusetts Executive Office of Energy and Environmental Affairs defines Environmental Justice communities as census block groups where: 25% of households have a median annual household income at or below 65% SMI,

income, the program will better address the disproportionate environmental burden these communities face due to the changing climate. By requiring two of the Environmental Justice criteria to be met, a more effective dedication of state resources can be supported through the program.

Provide Greater Support for Community Shared Solar

MAPC is currently exploring ways to support community shared solar (CSS) projects in our municipalities to increase access to solar for renters, low-moderate income customers, and those unable to install solar on their own properties. We are interested in changes to the program that prevent CSS projects from becoming overly burdensome to advance while ensuring that all CSS subscribers are protected and aware of contract terms. As such, MAPC is pleased to see DOER's inclusion of a "three-strikes" rule for community shared solar projects and projects under 25 kW and an auditing process for the customer disclosure form process. To further support enhanced consumer protection, MAPC recommends that DOER provide solar developers with template contract language and subscribers with guidance on what to look for in a CSS contract. An educational effort to proactively remediate issues will provide long-term benefits.

Moreover, to advance our shared objective of advancing CSS and low-income CSS across the state, MAPC recommends two additional changes. DOER may want to consider providing CSS projects with a 12-month grace period to meet the new 90% subscription requirement to prevent the process from becoming overly burdensome. It may also want to allow for monthly subscriber allocations since limiting them to twice annually may prove a barrier to low-income customers who are less likely to subscribe to long-term contracts. Reductions to participation barriers and greater flexibility will help CSS projects to succeed.

Provide Clear Guidance on Projects Affected by Each Program Change

It was apparent at the 400 MW review stakeholder meeting in Boston on September 9, 2019 that many questions remained about how each regulatory change will impact projects. MAPC requests that DOER provide all stakeholders with clear guidance on how each proposed change to the regulations will impact projects at each stage of the application process.

Thank you for your consideration of MAPC's comments and attention to these important issues as DOER moves forward to implement the SMART program. Please contact me at cpeterson@mapc.org or 617-933-0791 with any questions.

Sincerely,



Cammy Peterson
Director of Clean Energy

Cc: Eric Steltzer, Director, Renewable Energy Division

25% or more of the residents identify as minority, or 25% or more of households having no one over the age of 14 who speaks English only or very well (Limited English Proficiency).