

May 11, 2020

**VIA E-MAIL**

Patrick Woodcock  
Commissioner  
Department of Energy Resources  
100 Cambridge Street, Suite 1020  
Boston, MA 02114  
Attention Kaitlin Kelly  
Email: **doer.smart@mass.gov**

RE: SMART Regulations (225 CMR 20.00) – Public Comments

Dear Commissioner Woodcock:

On April 14, 2020, the Massachusetts Department of Energy Resources (DOER) filed revised regulations 225 CMR 20.00, the Solar Massachusetts Renewable Target (SMART) Program, with the Secretary of the Commonwealth as an emergency regulation. The Commonwealth of Massachusetts is a clear leader in supporting the development and installation of renewable energy. The revised SMART regulations further the Commonwealth's leadership by expanding its clean energy goals to include the development of an additional 3,600 MW solar generation in the Commonwealth. DG Massachusetts Solar, LLC<sup>1</sup> (DG Massachusetts Solar) provides the following recommendations to enhance the role of the SMART program in meeting the Commonwealth's clean energy objectives.

**Storage Requirement**

Currently, the SMART Program requires that energy storage be included in all participating SMART projects. DG Massachusetts Solar supports the inclusion of energy storage in participating SMART projects in order to minimize grid disruptions. However, although the revised regulations include an Energy Storage Adder (225 CMR 20.06; 20.07), DG Massachusetts

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<sup>1</sup> DG Massachusetts Solar is a wholly-owned indirect subsidiary of NextEra Energy Resources, LLC (NEER). NEER, through its affiliates, is the world's largest generator of renewable energy from the wind and sun and a world leader in the development of battery storage. NEER's strategic focus is centered on the development, construction, and operation of long-term contracted assets throughout the U.S. and Canada, including renewable generation facilities, natural gas pipelines, and battery storage projects. With approximately 21,900 MW of total net generating capacity as of December 31, 2019, NEER is one of the largest wholesale generators of electric power in the U.S., with approximately 21,240 MW of net generating capacity across 37 states, and 520 MW of net generating capacity in 4 Canadian provinces. In Massachusetts, NEER, through its affiliates, owns and operates the Minuteman Storage Energy Project, a 5 MW battery energy storage system and 16 MW of distributed generation solar projects. A NEER affiliate also operates the 311 MW combined cycle Bellingham Energy Center.

is concerned that, as proposed, the level of incentive provided by the Energy Storage Adder is not sufficient to support further investment in SMART projects in the Commonwealth. In fact, without adjustment, several of our currently proposed energy storage projects are not feasible.

The revised SMART Program regulations acknowledge the fixed incremental costs associated with Location Based Adders. Given the focus and requirement being placed on the development of energy storage systems for solar projects larger than 500 kW, DG Massachusetts Solar recommends that the regulations similarly recognize the fixed costs associated with energy storage – that have increased with commodity pricing and demand since the commencement of the SMART program in 2018. Specifically, the Energy Storage Adder should be maintained at the level of incentive initially set in Tranche 1 of the SMART program. Maintaining the Energy Storage Adder at this level will provide a rate of return sufficient to encourage the investment in renewable energy required to meet the Commonwealth's renewable energy goals.

#### Community Solar Subscription Deadline

Pursuant to Section 20.06(1)(h)(3) of the revised SMART regulations, ninety percent (90%) of community solar subscriptions must be allocated for a project at the Incentive Payment Effective Date. Failure to meet this requirement results in the project losing its Preliminary Statement of Qualification. DG Massachusetts Solar is concerned that this new requirement will delay the completion of projects that otherwise could have gone on-line. For example, developers may face a situation where physical construction of certain projects is completed prior to the 12-month completion deadline but subscriptions may lag behind the 90% threshold set in the revised SMART regulations. Under this scenario, in order to comply with the revised SMART regulations, developers will be forced to delay the interconnection witness test on the projects until 90% of subscriptions are completed. The unintended result is that the Commonwealth may be faced with fully constructed projects ready to generate clean, renewable energy, but be unable to commence startup until 90% subscriptions are allocated. In order to avoid this undesirable outcome, DG Massachusetts Solar recommends maintaining the current policy of allowing community solar projects to interconnect prior to subscription allocation and paying the generator's Qualifying Facility Tariff Rate until subscriptions can be allocated.

DG Massachusetts Solar appreciates the opportunity to provide recommendations on the SMART program to help the Commonwealth of Massachusetts achieve its renewable energy objectives. We commend the Commonwealth for its leadership in installation of renewable energy, and look forward to continuing to work with the Commonwealth to meet its clean energy goals.

Sincerely,



Matthew G. Ulman  
Vice President Development  
Distributed Generation